

# Herald Tribune

INTERNATIONAL

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

R

Paris, Wednesday, December 23, 1998

No. 36,021

TODAY:  
STAGE  
Newcomer on Parade, Page 10



Iraqis shopping this week in the Shorja market in central Baghdad as they adjust to a new period of peace.

## Baghdad Gets Its Lethargy Back

### Four Days of Bombs Fail to Jar a Capital Frozen in Time

By Stephen Kinzer  
New York Times Service

**BAGHDAD** — At one newsstand in downtown Baghdad, a magazine on display reports that the Prince of Wales has been seen with Lady Diana Spencer and speculates that a romance might be blossoming. At another the prize offering is a maintenance manual for the 1988 Oldsmobile.

Iraq is a nation frozen in time, and the recent wave of American and British bombing seems to have done nothing that would hasten a thaw.

The oddest thing about the bombing campaign, at least as viewed from Baghdad, is how little it changed anything. Life is continuing as if the explosions that were heard last week were nothing more than a fireworks show.

Certainly, there was an air of theater about the streaking anti-aircraft fire that lit up the sky during the bombing raids.

Most of the Iraqi fire, if not all of it, came from low-caliber weapons that had no more chance of shooting down a jet fighter than a popgun would have. Its only purpose was to give Iraqis a sense that they were in some way masters of their destiny and not simply mute subjects.

That sense was probably inaccurate.

Iraq may still be able to defy the West,

but people here cannot affect the course of President Saddam Hussein's government.

Out of necessity, if for no other reason, Iraqis seem to have accepted their fate. As they adjusted in recent days to a new period of peace, they continued to live in a world that for nearly a decade has not progressed a bit and in fact has slowly deteriorated.

Nowhere is this more visible than along the banks of the Tigris, which runs through the heart of Baghdad. For generations, its landscaped banks were one of the most romantic places to stroll in the entire Middle East, lined with seafood restaurants that were packed until late at night.

Now the once-magnificent parks are overgrown with weeds, and the ruins of the restaurants are home only to vennians. Groups of unemployed men sit silently in chairs along the opposite sidewalk, gazing toward the river and perhaps recalling the city's lost glory.

Baghdad's central bazaar resembles Cairo's or Istanbul's played in slow motion.

There is a fair amount to buy, but nothing like what is available even in comparably cities like Amman, Jordan, or Manama, Bahrain.

The bursting commercial energy that throbs through the rest of the Middle East is absent here, as if someone had sprinkled the population with sleeping powder.

Eight years after the United Nations imposed punishing economic sanctions on Iraq, people here have devised two distinct strategies for dealing with the country's steady decline.

Ordinary people have simply reduced their expectations. They live on what can be produced inside the country and

See BAGHDAD, Page 6

## Vote Leaves Netanyahu Alone (but Not Yet Down)

By Deborah Sontag  
New York Times Service

**JERUSALEM** — If there was anything that brought unity to the fractious Israeli Parliament, it was bringing down Prime Minister Benjamin Netanyahu in an overwhelming majority vote to dissolve the government two years early.

There was no clearer image of a leader alone than Mr. Netanyahu on the floor of the House, a single colleague, Justice Minister Tsahi Hanegbi, sitting stone-faced by his side. Nearby, members of Parliament gathered in big volatile groupings, crossing party lines in spiraling conversation, even bonhomie.

**NEWS ANALYSIS** When the prime minister rose Monday to deliver his eleventh-hour pitch for a unity government, members of Parliament broke into loud, mocking laughter. Slipping into his seat, Mr. Netanyahu tore paper into confetti-like shreds, his face frozen as he was turned down by Ehud Barak, leader of the opposition Labor Party.

A newspaper poll published Tuesday showed Mr. Netanyahu facing certain defeat in new elections in the spring. In general, the newspapers — which Mr. Netanyahu constantly maligns and claims not to read — declared with unrestrained glee that he had finally got his comeuppance.

"His hubris, his paranoia and his arrogance have proved to be his downfall," Yael Marcus wrote in a column in the daily Haaretz. "He finds himself without partners, without friends."

And yet. Although the body politic came together in the vote Monday, it is expected to splinter into one of the broadest plying fields in Israel's electoral history, with no outcome predictable.

The columnists and the pollsters were certainly clueless last time. Until the final moment, they underestimated the campaign skills of Mr. Netanyahu, a shrewd and charismatic outsider who overcame the long control of the Ashkenazi elite to bring together a mix of those outside the corridors of power: the strict Orthodox, the Sephardic Jewish working class, the Russian immigrants and extreme rightist ideologues.

"If there is one thing that can be said with certainty about the prime minister, it is that always, but always, it is too early to apologize him," Haim Shalev, a political analyst, wrote in Ma'ariv.

On Monday, before the vote, Mr. Netanyahu had given up lobbying. His office was empty but for security

guards. He met only with Mr. Hanegbi and Foreign Minister Ariel Sharon.

Other than that, Mr. Netanyahu appeared utterly isolated within the political establishment. But he still may prove adept at wooing a working man in his comeuppance.

See ISRAEL, Page 6

## 2 Therapies Aid Growth of Heart Bypass Vessels

By Lawrence K. Altman  
New York Times Service

**NEW YORK** — Two small studies have shown that, over just a few weeks, one dose of experimental drugs injected into the heart can greatly relieve, or even eliminate, the chest pain of coronary artery disease by encouraging the growth of new blood vessels to bypass clogged arteries, according to researchers in the United States and Germany.

The research is at a preliminary stage, and the drugs have yet to be tested in large groups of people. Even if the results hold up, it may be years before any therapy is available for patients who suffer from such chest pain, or Angina.

One of the treatments under study is gene therapy to produce a protein called vegF, for vascular endothelial growth factor. The other entails injection of a protein called FGF-1, for fibroblast growth factor.

Each drug is given in a single injection, through a surgical incision in the chest. In effect, both treatments aim to allow patients to grow their own heart bypasses by sprouting thin "collateral" blood vessels, in a strategy called therapeutic angiogenesis.

The same gene therapy involved in one of these treatments has been shown to be effective in building new blood vessels in the legs, but these reports are the first to assert that gene therapy

See HEART, Page 6

## China Defends Arrest of Dissidents And Lashes Out at U.S. Criticism

### Clinton Policy Assailed

By Philip Sheon  
New York Times Service

**WASHINGTON** — Six months after President Bill Clinton traveled to Beijing and challenged Chinese leaders to move rapidly toward political reform, the administration's policy of engaging Beijing is being called into question after Chinese courts sentenced three of the most prominent dissidents in the country to long jail terms.

Critics of China on Capitol Hill and human-rights groups said the tough sentences proved that encouraging trade and diplomatic ties in hopes of democratic reform had failed.

The dissidents — Xu Wenli, who was sentenced Monday to 13 years in prison, Wang Youeai, who received an 11-year sentence, and Qin Yongmin, who received 12 years Tuesday, were charged with subversion.

Given Mr. Clinton's effusive praise for senior Chinese leaders during his trip to Beijing last summer, the administration has found itself on the defensive, and has harshly criticized the prison sentences, even as it continued to insist that engagement is helping push Beijing toward democracy.

The United States "deeply deplores" the jail terms, a spokesman for the State Department, James Foley, said. He called for the immediate release of the dissidents, saying, "These three men appear to have been involved in nothing more than efforts to form a political party."

While condemning the sentences, Mr. Foley and other American officials were careful to repeat the administration view that there has been progress on human rights in China, some of it linked to Mr. Clinton's meeting in Beijing with the Chinese president, Jiang Zemin.

"There had been improvements in the human-rights situation in China, modest improvements," Mr. Foley said. The recent instances of harassment of democracy campaigners are "steps backward in relationship to what had been an improved human-rights performance."

Critics noted that the sentences were handed out less than a week after Mr. Jiang delivered a pointed speech in Beijing in which he made clear that Chinese economic reforms were not a prelude to Western-style democracy and that challenges to the supremacy of the Communist Party would be crushed.

"The Western mode of political systems must never be copied," he said.

Representative Nancy Pelosi, Demo-

### Upholding 'Rule of Law'

By John Pomfret  
Washington Post Service

**BEIJING** — China mounted a rigorous defense Tuesday of the harsh sentences it imposed on three opposition activists this week, singling out "the media and figures" in the United States for "whipping up opinion against" China.

In editorials, public statements and a lengthy tirade published by its state-run press service, China sought to equate its crackdown on the first attempt to establish an opposition party in China with American laws against treason.

On Monday and Tuesday, Chinese courts sentenced three men to prison for "plotting to overthrow state power" and "endangering state security." Xu Wenli, a dissident, received 13 years. A comrade-in-arms, Qin Yongmin, got 12 years, and Wang Youcui, a former student organizer of the protests around Tiananmen Square in 1989, was sentenced to 11 years.

The tactics employed by the Chinese government in defending itself reflect the belief here that Western governments, which have expressed outrage at the verdicts, do not understand China.

"China cannot accept these criticisms," said Zhu Bangzao, a Foreign Ministry spokesman of the outpouring of Western condemnation of China. The Western outcry has focused on China's violations of the United Nations International Covenant on Civil and Political Rights that it signed in October.

"This is the normal judicial activity of a country with the rule of law and purely the internal matter of a sovereign state," Mr. Zhu said.

China's reaction also underscores the concern felt by the Communist Party about social stability and its own position. Strikes and other forms of labor unrest are occurring throughout the country; in attempting to form the China Democracy Party, Mr. Xu, Mr. Wang and Mr. Qin tried to enlist the support of unemployed workers.

Finally China's reaction illustrates that when it comes to dealing with organized dissent the party appears to remain united: the best way to handle dissent is to "nip it in the bud," President Jiang Zemin said last week.

Reports on Tuesday and Monday in China's state-run press on the crackdown gave the strong impression that the party plans to increase its vigilance against the possibility of organized dissent. Several party members in recent weeks have

See DISSIDENT, Page 4



Qin Yongmin, a dissident, was convicted of endangering state security.

## Malaysia Looks at Easing Controls

### Policymaker Expects Action 'Very Quickly' to Reassure Investors

By Alan Friedman  
and Thomas Fuller  
International Herald Tribune

**KUALA LUMPUR** — Malaysia's leading economic official said Tuesday that the government planned to modify a key element of the capital controls imposed three months ago, which triggered an international debate over how emerging economies should protect themselves against speculators.

Dain Zamzuddin, Malaysia's de facto finance minister, said in an interview Tuesday that he was pleased with the results of capital and currency controls introduced last September and which were widely criticized in the West. He said, however, that the government would act "very quickly" to reassure international investors by modifying conditions related to the withdrawal of foreign money from the country.

Foreign portfolio investors, who hold an estimated \$10 billion in Malaysia,

were angered by Malaysia's decision to ban the withdrawal of capital from the country for a period of one year from the time they were imposed.

Mr. Dain, 60, said the government was studying two main proposals to replace that rule, which was designed to discourage speculative short-term capital flows.

The government was considering replacing the one-year freeze with an "exit tax," a more flexible and less punitive system than the straight ban on outflows. The other option, Mr. Dain said, would be a system of "most-favored investors," which would allow investors judged to have a long-term interest in the country more freedom to move money in and out.

"These are the options we are looking at," said Mr. Dain, who is Prime Minister Mahathir bin Mohamad's closest adviser. "We hope to implement one of them as soon as possible. We want to move very quickly

and settle this once and for all."

Malaysia's plans come amid signs that foreign money is coming back into East Asia — money that Kuala Lumpur does not want to miss out on. Since September the stock market has recovered dramatically here as well as in places like Hong Kong and Thailand.

Ironically, many investors who were furious when their money was trapped in September have seen their Malaysian portfolios almost double. If the ruling is changed in the next few weeks — and indications are that it may — investors will be able to withdraw a lot more money than would have been the case had the government allowed them to liquidate earlier.

Mr. Dain, who as finance minister a decade ago helped lead Malaysia out of its last recession, has been instrumental in steering the economy of late, and is considered the country's top policymaker after the prime minister.

The one-year rule was introduced in September as a direct reaction to the massive capital outflow that accompanied the early stages of the regional economic crisis last year.

Malaysia's stock market, which before the crisis was one of the region's biggest, had lost about \$160 billion in paper value by August, reducing it to about a third of pre-crisis levels. Since then, the market has recovered dramatically, with the main Kuala Lumpur

See MALAYSIA, Page 4

## AGENDA

### Israeli Missile Hits Lebanese Civilians

**BAALBEK, Lebanon** (AP) — Israeli warplanes fired missiles at suspected guerrilla bases in eastern Lebanon on Tuesday, killing a woman and six of her children, Lebanese security officials said.

They said an Israeli rocket hit a farm in the village of Nabi Sheet, where a family — a couple and their seven children — lived. The mother and six children between the ages of 2 and 13 were killed. The father, Mohammed Othman, and one child were wounded. It was the worst civilian toll this year in the Israeli-guerrillas conflict.

Books ..... Page 10.  
Crossword ..... Page 10.  
Opinion ..... Pages 8-9.  
Sports ..... Pages 18-19.

The Intermarket ..... Page 9, 10.  
The Internet ..... www.nytimes.com

## Science Bridges U.S. Gap With Cuba

By Mark Fineman  
Los Angeles Times Service

**HAVANA** — It started with sparrows, egrets and the ivory-billed woodpecker. It led to the discovery of a sloth dating back 12 million years — the earliest land mammal identified at the time in the Greater Antilles.

By September, it had paved the way for an unusual expedition: A U.S. government research vessel, flying the Cuban and American flags, quietly spent a month in Cuban waters, the first such joint mission in four decades.

On board, scientists from two nations that have no diplomatic ties and 40 years of bitter history surveyed a population of sharks that travel more freely between Cuba and the United States than do the humans who inhabit those lands.

Those are but a handful of landmarks in a new age of scientific collaboration — a fast-growing, yet discreet development that the scientists say has enormous potential for bridging the ocean of social, cultural and political mistrust between the United States and Cuba.

A rebirth of personal and professional friendships among a

new generation of American and Cuban scientists has transcended politics. Together, these colleagues are reawakening a scientific partnership that dates to the 1830s.

Largely unnoticed and deliberately unheralded, scientists from the two nations are communicating almost daily by phone and e-mail. They are working together on cutting-edge research projects. They share important discoveries and visit one another by the dozens each year. Through it all, they are carefully and meticulously unraveling a web of complex bureaucratic barriers in both countries to open new relationships that are helping to gradually erode the suspicions of their political leaders.

These emerging relationships are based, in part, on the inescapable pragmatism of science. The United States and Cuba, separated by 90 miles (145 kilometers) of ocean, are inextricably linked by nature: Migratory birds, fish, pollution and the weather do not recognize national borders.

The long history of U.S.-Cuban scientific collaboration that ended with the victory of Fidel Castro's revolution 40

See CUBA, Page 6

## Newspaper Prices

	Newspaper	Price



<tbl\_r cells="3" ix="3" maxcspan="



## THE AMERICAS

## Livingston Sought To Send a Message

**His Resignation Highlights Privacy Issue**

By Katharine Q. Seelye  
New York Times Service

**WASHINGTON** — Bob Livingston saw Larry Flynt's advertisement in The Washington Post in October offering \$1 million to anyone who could prove the sexual indiscretions of members of Congress, but he said he shrugged it off.

"I guess I didn't think of the impact of a million bucks," Mr. Livingston, the former designated speaker of the House of Representatives, said. "I just can't believe that somebody would do that to me."

Welcome to the big leagues. Welcome to the world of Larry Flynt. I just didn't think it possible that he would do what he did."

And so Mr. Livingston pressed on over the next weeks of Republican tumult, offering himself as a candidate for House speaker without telling his colleagues what he was finally forced to admit on Thursday — that he had "on occasion strayed from my marriage."

The disclosure came only after he was made aware last week for the first time that Mr. Flynt, the publisher of the sex magazine Hustler, was investigating his past. Word of the investigation led to Mr. Livingston's announcement Saturday in the midst of the impeachment debate in the House of Representatives that he would not stand for speaker and that he would quit Congress altogether in six months.

And because Mr. Livingston is so liked by his colleagues, his resignation has escalated the debate over the intersection of public and private behavior and whether

politicians like Mr. Livingston should in essence give in to the neo-Puritanism that seems to demand sainthood in office-holders.

In a lengthy interview on Monday in his office, Mr. Livingston, by turns doleful and then smirking at certain lines of inquiry, said he resigned for several reasons. He said he had "no defense" for his extramarital behavior, that he had undermined his own credibility and that he wanted to send a message about the destruction caused by people like Mr. Flynt.

He also said he was uncertain himself what the limits were of legitimate inquiry into the private lives of public figures. "This is so far beyond anything I ever thought about," he said. "I'm not blaming anybody. I only have myself to blame for what happened, and I'm not justifying it, I'm not shaking fingers. But if it's going to be government-by-Larry-Flynt, the country's in trouble."

He read a statement to his colleagues in a closed-door meeting and issued the same statement to reporters. It said he had "on occasion strayed from my marriage," but that he had sought marriage and spiritual counseling and had been forgiven by his wife. Taking care to distinguish

ing to go into, that more or less confirmed that there was an investigation," Mr. Livingston said.

Throughout Wednesday and Thursday — as he jingled the president's confidential alert to him that the bombing in Iraq was imminent, and as he wrangled with Democrats over the procedures for the impeachment vote — he and his friend discussed what he should do about the Flynt investigation. He decided to tell his colleagues on Thursday night. He said his wife, Bonnie, supported whatever course of action he chose.

He never offered to resign, he said.

He read a statement to his colleagues in a closed-door meeting and issued the same statement to reporters. It said he had "on occasion strayed from my marriage," but that he had sought marriage and spiritual counseling and had been forgiven by his wife. Taking care to distinguish

## BRIEFLY

### Morris Publishes Agendas Of Clinton Strategy Talks

**WASHINGTON** — Every Wednesday night, the group muddled in the Yellow Oval Room of the White House residence. The discussion grazed across a buffet of subjects high and low: welfare, immigration, O.J. Simpson and Paula Jones. But the real agenda was always centered on President Bill Clinton's plans for winning a second term.

The group of political consultants and senior White House staff was essentially the war council for the 1996 campaign. Two years later, Dick Morris has published a book that reprints 18 months of the agendas he wrote for the sessions.

White House officials said Monday they had not reviewed the book but that they had no reason to suspect the agendas were not authentic. But they pointed out that the agendas Mr. Morris presented at the meetings — before he left the campaign in August 1996 — often reflected his own ideas more than those of Mr. Clinton. Even Mr. Morris, who said he published the agendas because they were "historical documents," said: "I'm the author of the agendas, not Clinton."

The agendas reflect Mr. Morris's polling-based approach to politics and suggest the degree to

which Mr. Clinton's policy initiatives were influenced by public opinion surveys and other political judgments about how best to position the president against the Republicans.

On April 27, 1995 — eight days after the Oklahoma City bombing — Mr. Morris directed a discussion of how to reap political advantage from the aftermath according to the agenda for the date. As Mr. Morris saw it, Mr. Clinton's handling of the tragedy would lead to "temporary gains in ratings," and how he could create "a permanent possible gain" sets up Extremist Issue vs. Republicans. The agendas are printed as an appendix to a newly released edition of "Behind the Oval Office," the campaign memoir that Mr. Morris published early last year.

They are noteworthy as historical documents, but they also highlight an irony that echoes to this day. At the very time that he was working so methodically to rebuild his presidency, Mr. Clinton was carrying on a relationship with Monica Lewinsky that would later help opponents tear him down.

(WP)

## Pentagon Tripp-Spotting

**WASHINGTON** — Linda Tripp, taper of presidential infamora, was back at her office in the

Pentagon on Monday after working from home at her \$90,000-a-year job while the wheels of justice ground their way through the last 11 months to the impeachment of the commander in chief.

Ms. Tripp rocketed to the heights of controversy when she shared with investigators the fruits of her fury recordings of Monica Lewinsky. Her anguished declaration to the nation as the year luridly roared forward — "I am you" — has become one of the folkloric quotations of the presidential scandal. Along the corridors of the Pentagon, Linda Tripp sightings have been claimed in recent days by passing military professionals as if they had glimpsed one of the F-117 "stealth" attack-fighters designed to fall upon the enemy without even being seen by eye or radar.

"I spotted her with her publicist," one alert colonel announced tersely to a friend.

Other federal workers in the vast bureaucracy have closely tracked her working arrangements and salary, which doubled since she worked at the White House for the first two years of the Clinton administration.

Under her job, involving computer planning work on the Pentagon's annual Joint Civilian Orientation Conference, Pentagon officials confirmed Ms. Tripp would be eligible for the proposed 4.4 percent wage increase announced Monday by the Clinton administration. (NYT)

## Away From Politics

• Scientists at the Johns Hopkins University Applied Physics Laboratory in Laurel, Maryland, restored communications with a spacecraft tracking the giant asteroid Eros more than 200 million miles from Earth, but the underlying problem may delay the first orbit of an asteroid until February. (AP)

• The Food and Drug Administration approved the first vaccine for Lyme disease, a tick-borne ailment. The disease's symptoms — which resemble the flu and often begin with a characteristic bull's-eye type of rash — often are ignored or misdiagnosed. (LAT)

• A federal judge threw out a ban in Iowa on a late-term procedure that critics call partial-birth abortion, saying it was unconstitutionally vague and violated privacy rights. (AP)

• A man in Bellefonte, Pennsylvania, received 15 to 32 years in prison for taking his estranged fiancée hostage at gunpoint and raping the woman, who married him 27 days later. (AP)

## A Great Location for Business Travellers

**swissotel ISTANBUL**  
THE BOSPHORUS  
A Passion for Perfection

Contact your travel agent or the office:  
Telephone: (90 212) 520 00 00 Fax: (90 212) 520 00 00  
USA/Canada 800 224 1145 Latin America 00 34 91 570 00 00  
www.swissotel.com E-mail: info@swissotel.com

## WWW. PRIME SITES WWW.

List your website and e-mail address in our new "Prime Sites" section every Thursday.

For Rates and Deadlines, contact:

Europe:  
Sarah Vershof

Tel: (44-171) 420 0326  
Fax: (44-171) 420 0338

North America:  
Sandy O'Hara

Tel: (1-212) 532 3890 or 800 572 7212  
Fax: (1-212) 535 8785

e-mail: The\_INTERMARKET@ihf.com

**Herald Tribune**  
INTERNATIONAL DAILY NEWSPAPER

THE WORLD'S DAILY NEWSPAPER

## A Compromise in the Senate?

**A Senior Democrat Who Could Lead the Way Warns the White House Not to Start Lobbying**

By Dan Balz and Helen Dewar  
*New York Times Service*

**WASHINGTON** — Senator Robert Byrd, Democrat of West Virginia, an influential authority on the history and procedures of the Senate, has opened the door to a compromise resolution of the impeachment of President Bill Clinton, but pointedly warned the White House not to try to broker a censure deal.

Mr. Byrd's written statement Monday was seen as significant because he is a stickler for the rules and prerogatives of the Senate and because many Republicans were looking to him for procedural guidance on impeachment.

The West Virginian's language, while not precluding the need for a Senate trial to resolve the question of whether Mr. Clinton should be allowed to remain in office, appeared to give encouragement to those calling for the president to be censured. The statement left open the possibility of censure before a trial starts or once a trial begins.

"To a very large degree, we are now navigating in previously uncharted waters, but one thing is clear," Mr. Byrd said. "For the good of our nation, there must be no 'deal' involving the White House or any entity beyond the current membership of the U.S. Senate."

But Mr. Byrd, a former Senate majority leader, went on to say, "Whether there is, a trial or whether there is some other solution, that decision must be made by senators, and it must be bipartisan or it will have absolutely no credibility with the public."

White House officials regarded the statement as a positive development. "We agree that the best solution for this matter would be made by senators and on a bipartisan basis," said a White House spokesman, Jim Kennedy. "We hope that such a resolution can be reached expeditiously so that we can get back to the business of the country as soon as possible."

Exactly how a compromise could be achieved with no real involvement by the White House was not clear, given the reality that most censure proposals call for some

acknowledgment of wrongdoing by the president. But White House officials said they agreed with Mr. Byrd's judgment. "They have to work among themselves, as Senator Byrd rightly pointed out, and come forward with something the body as a group can support," a senior official said.

### Path to Censure Becomes Clearer

On Tuesday, the White House spokesman, Joe Lockhart, said of the Byrd assessment, "He is right when he says this should be something the Senate should do," news agencies reported.

Mr. Lockhart said that once the Senate had decided on a course of action, "We assume they would come to the White House and try to get our reaction or views on it."

Meanwhile, Senator Christopher Dodd, Democrat of Connecticut, said Tuesday that a consensus was building for censure and that it would be in the best interest of the country to resolve the impeachment charges quickly. "There are not the votes to convict the president," Mr. Dodd said.

"There are the votes to censure the president. That seems to be a bipartisan consensus," he added. "If that is the case, then it seems to me that it's in the best interest of the Senate to move to that result, sooner rather than later." Mr. Dodd had come to the White House to discuss budget matters with administration officials.

The Republicans hold 55 seats in the Senate to the Democrats' 45. A two-thirds majority of 67 is required for conviction. The two articles of perjury and obstruction of justice and approved Saturday by the House of Representatives required only a majority vote.

Now, four House Republicans who voted to impeach Mr. Clinton are urging the Senate to consider censure rather than removal from office. The four Republicans wrote the Senate majority leader, Trent Lott, Republican of Mississippi, urging a censure that "would impose a fine and block any pardon."

The letter to Mr. Lott was signed by Representatives Sherwood Boehlert and Benjamin Gilman of New York, Michael Castle of Delaware and James Greenwood of Pennsylvania. Mr. Castle has been publicly advocating a censure, but House Republican leaders did not allow that alternative Saturday when Mr. Clinton was impeached on two articles of perjury and obstruction of justice in concealing his affair with Monica Lewinsky, a former White House intern.

"We are not convinced and do not want our votes interpreted to mean that we view removal from office as the only reasonable conclusion of this case," the four wrote in the letter to Mr. Lott.

In considering this manner, the Senate should take into account the subject of the president's false testimony, the degree to which the issue relates to his official duties, the degree to which his conduct threatens the integrity and function of the government ... and the will of the American voter," they wrote. "We believe that those factors may lead the Senate to conclude that a remedy short of removal is in order."

Ken Johnson, a spokesman for Representative W.J. (Billy) Tauzin, Republican of Louisiana, said the lawmaker had talks with a half-dozen House colleagues who, like himself, voted for impeachment. Mr. Tauzin and the other lawmakers "believe it's time to put this behind us," Mr. Johnson said, adding: "The Senate is not likely to remove the president."

Mr. Lockhart said the letter showed that Republican leaders had rammed impeachment through the House and that if they had allowed a vote on censure it would have passed.

He added that the letter was a "positive sign" that House members "don't believe that the president should be removed from office and want to find a bipartisan way to put this behind us in a prompt manner."

Senator Carl Levin, Democrat of Michigan, was less charitable, telling CNN the letter shows "how partisan that process was."

"I sure wish they had said that to their colleagues and to themselves prior to their vote in the House," Mr. Levin said. "It seems that would have been a more timely place and time to make that point." (AP, Reuters)

Be ahead of your time.



**Van Cleef & Arpels**

In Zurich exclusively available at  
**LA SERIAS**

PARIS CANNES MONTE CARLO GENEVE LONDRES NEW YORK PALM BEACH BEVERLY HILLS TAIPEH SHANGHAI MOSCOW KOREA SEOUL BUSAN TOKYO YOKOHAMA HONG KONG

## ASIA/PACIFIC

**Heard in Manila: 'She's B-a-a-a-ck'****Imelda Marcos's Quest for Billions Could Shake Philippine Politics**By Mark Landler  
New York Times Service

MANILA — In the pre-Christmas bustle of this teeming city, a ghost of the Philippine past has suddenly re-emerged.

Imelda Marcos, the 69-year-old widow of the dictator Ferdinand Marcos, has announced that she plans to file a lawsuit to recover more than \$12 billion in assets that she claims belonged to her husband.

After insisting for years that her husband had not been a kleptocrat but a public servant who made other people rich, she declared in an interview with The Philippine Inquirer, "We own practically everything in the country."

It was a startling admission, even from a woman known for her theatricality. From people here, who have watched Mrs. Marcos laugh, weep, rant and burst into song for more than three decades, one could almost hear the collective reaction: "She's b-a-a-a-ck."

Of course, the former first lady has been back for a while. Since returning from exile in Hawaii in 1991, Mrs. Marcos has run for the House of Representatives and won, run for the presidency and lost, been convicted of graft by a Philippine court and been acquitted on appeal by the Supreme Court.

These days, she lives in a plush apartment in central Manila, where she holds court with a dwindling retinue of friends and hangers-on. More marginalized than ever, Mrs. Marcos has become virtually a caricature of herself, a loquacious woman sometimes referred to as the "Madwoman of Manila."

Now, though, Mrs. Marcos has caught everyone's attention again. Not only has she freely acknowledged that her husband had amassed vast business interests, but she is identifying the assets in question. She said that Mr. Marcos owned more than \$12 billion worth of shares in dozens of companies, including Philippine Airlines and Philippine Long Distance Telephone.

Mrs. Marcos said her husband had entrusted the shares to his close associates. Several of these friends went on to become the wealthiest business tycoons in the Philippines, and they came to epitomize the crony capitalism that took root here and in other Southeast Asian countries.

Mrs. Marcos told The Inquirer that the cronies to whom Marcos had entrusted his money became "so rich that they got too greedy."

"Now," she said, "they refuse to turn over the top firms that the Marcoses rightfully owned."

Mrs. Marcos's public comments have alarmed her daughter, Imee Marcos, who is a legislator from her father's old district. The younger Ms. Marcos said

her family was still anxious to reach a compromise with the government over her father's wealth. Her mother, she said half-jokingly, is "wild and crazy."

People here say Mrs. Marcos's claims will resonate in a country that is still struggling to move out of the long shadow of Ferdinand Marcos.

"Imelda's pronouncements have awoken people's consciousness about what was done under Marcos," said Bernardo Villegas, dean of the School of Economics at the University of Asia and the Pacific. "That's why, in a way, critics of the government are watching this case very closely."

Few people take such a comment as a serious threat to the Marcos family. By one count, the government has filed 60 lawsuits against the Marcos family over the last 11 years, but has yet to win a conviction. Mr. Estrada favors a compromise under which Mrs. Marcos would return some assets to the government.

Several political analysts here said that Mrs. Marcos's disclosures were a sign of her self-confidence.

"Imelda has been acquitted by the Supreme Court," said Christian Monzad, a former chairman of the Philippine Election Commission, "and she may feel more comfortable with

the current administration."

Mrs. Marcos has retained the law firm of Senator Juan Ponce Enrile, who was her husband's Defense Secretary but who turned on him when the "People Power" movement began to gather momentum against his boss. Whatever the reaction to her claims, Mr. Enrile is not

taking any chances. After several days of incendiary quotes in The Philippine Inquirer, he imposed a gag order on her.

"She gets herself into trouble whenever she opens her mouth," said one of her advisers, passing along the news that, incredibly, Imelda Marcos did not want to talk.

**POLICY: Clinton Approach Is Criticized**

Continued from Page 1

tention." Mr. Jendrzejczyk said. Other China experts and scholars insisted that the policy of engagement was right and that there was reason to believe political reform would follow economic reform, as the president has argued.

Peter Rodman, an official in the Nixon and Reagan governments who is now at the Nixon Center in Washington, said the harsh sentences were to be expected, especially since the men had been involved in trying to set up a political party to challenge the Communists.

"The pattern of this regime is that, every once in a while, they ease up a bit and somebody goes too far, and there's a crisis," he said. "I don't think you can blame us for this crackdown, nor can you give us credit for any political reforms."

"On human rights, I just don't think there's much more we can do," he said.

Mr. Wang, a leader of the 1989 Tiananmen Square protests; Mr. Qin, who started the first domestic human-rights bulletin, and Mr. Xu were among the dissidents trying to form the first opposition political party in China.

Mr. Xu, a veteran of the Democracy Wall protests of 20 years ago, has already served a 15-year term for advocating democracy then.

"That would get Beijing's at-



Mrs. Marcos speaking before a Senate committee during an investigation into the wealth she claims her husband's cronies are keeping from her.



Liu Nianchun, left, a dissident, with his wife, Chu Hailan, at a news briefing at the headquarters of a human-rights organization in New York, after he was released from prison in China and exiled.

**DISSIDENT: China Assails U.S.**

Continued from Page 1

predicted that a political tightening would occur in the next year when China will commemorate three important anniversaries: the 10th anniversary of the crackdown around Tiananmen Square, the 50th anniversary of Communist China's founding and the 30th anniversary of the May 4th Movement, which established the tradition of Chinese student activism. Chinese set great stock in anniversary celebrations and the Communist Party is said to be afraid that activists will start protests.

For example, Liao Gan, the secretary of the party's Central Political Science and Law Committee and a key security official, said that China "is determined to maintain its high profile campaign of safeguarding social and political stability through 1999."

"We must crack down on crimes that threaten national security," he said Monday at a conference planning public security tasks for 1999, "and do everything to maintain stability in rural areas."

Also in recent months, China has moved to make it harder to form non-governmental organizations outside the control of the Communist Party, and it has tightened labor regulations, rendering almost impossible the creation of an independent labor union.

On Tuesday, the state-run New China News Agency issued a article by Ren Yanshi on the verdicts. Mr. Ren has made a name for himself writing reports criticizing human rights in America.

Mr. Ren said the use of word "crack-

**BRIEFLY****Suharto Son-in-Law Becomes Jordanian**

JAKARTA — The son-in-law of former President Suharto, a former special forces commander whose troops are under investigation for a spate of abductions and torture, has been given honorary Jordanian citizenship.

Prabowo Subianto, a former lieutenant general and commander of the Kopassus commando force, was honorably discharged from the service Dec. 10 after accepting responsibility for kidnapping and torture of political activists opposed to Mr. Suharto's regime.

The state-run Antara press agency confirmed independent reports Tuesday that Mr. Prabowo, once the youngest and one of the most senior army commanders in the Indonesian military, had been made an honorary Jordanian.

Mr. Prabowo has been living in the Jordanian capital, Amman, for the past four months, according to his brother, Hashim Djokoadiakusumo.

Eleven members of the Kopassus special forces will go on trial in a military court on Wednesday in connection with the abduction and torture of political activists this year. Nine of the abduction victims are still alive, one has been found dead and 13 others are still missing.

**Thai Army Helps With Toxic Mess**

SIHANOUKVILLE, Cambodia — Toxic waste experts from the Thai Army arrived in this seaport town Tuesday to help 400 Cambodian troops clean up an illegal waste shipment from Taiwan.

A steady, two-hour rain dampened the 3,000 tons of waste, believed to be compressed industrial ash, raising fear among Environment Ministry officials that dangerous chemicals could seep into ground water.

Plastic tarps that were supposed to have been stretched over the waste to prevent such problems were not in place in time.

The experts from Thailand, including chemists and nuclear technicians, passed Geiger counters over the waste, dumped about 10 kilometers (6 miles) north of Sihanoukville two weeks ago, and determined that it was not radioactive.

down" by Western media was a distortion. The truth, he said, was that Mr. Xu, and other dissidents, had violated Chinese law.

He added that it was wrong to term the verdicts against the three dissidents a violation of human rights because it was merely "a normal judicial action."

**MALAYSIA: Government Plans to Modify Financial Controls**

Continued from Page 1

Composite Index doubling.

The package of controls, which the government insists are temporary measures, has been presented as an alternative to IMF restructuring plans now in place in neighboring Thailand and Indonesia.

As part of a package, Malaysia cut interest rates and banned trading of its currency overseas, pegging the ringgit at 3.8 to the dollar.

The controls drew criticism from top officials at the U.S. Treasury, although the International Monetary Fund on Monday declared that the controls had "neither hurt very much nor helped very much."

"Why are people so concerned?" Mr. Daim asked on Tuesday. "I think the biggest fear is that if we succeed, others will copy." So far, the government says the controls have yielded positive results. The central bank's foreign reserves, Mr. Daim said, are up by nearly

\$5 billion to \$25 billion, while the current-account balance has registered a healthy surplus, imports are declining, and exports are creeping up.

Critics of Malaysia's controls say these trends are also occurring in countries that have not imposed capital controls, and that by keeping Malaysia's economy artificially sheltered, it could face problems later on when controls are lifted.

When asked whether Mr. Mahathir

**RECRUITMENT**Appears every Monday in The International Herald Tribune.  
To advertise contact Sonya Broadhead in our London office  
Tel: +44 1 71 420 0325 / Fax: +44 1 71 420 0338  
or your nearest IHT office or representative.Herald Tribune  
THE WORLD'S DAILY NEWSPAPER**INTERNATIONAL PORTRAIT PAINTING COMPETITION****ATATURK ON THE 75TH ANNIVERSARY OF THE REPUBLIC OF TURKEY****Milliyet,**Turkey's leading daily newspaper,  
is proud to announce the winners of the  
recent portrait painting competition.**First Prize - US \$15,000**

Mr. Zeer Bendor from Jerusalem

**Second Prize - US \$10,000**

Mr. Mehmet Mahir from Istanbul

**Third Prize - US \$5,000**

Ms. Hamiyet Uslu from Istanbul

For further information please contact:

Ms. Muzaffer Tan,  
Milliyet Gazetecilik A.Ş.,  
Dogan Medya Cerit,  
Bacigilar/Istanbul, Turkey  
Tel: +90 212 505 61 11  
Fax: +90 212 505 62 37**Milliyet**  
BASIN GAZETESİ

★  
To  
all our  
Sponsors,  
Speakers and  
Delegates, and to  
those who have worked  
with us throughout the  
year.  
  
Season's Greetings  
and Best Wishes  
for the New Year

from the London Conference Office of the International Herald Tribune

For further information on events in 1999, please fax us on:  
(44 171) 836.0717 or E-mail us at [summit@iht.com](mailto:summit@iht.com)

THE WORLD'S DAILY NEWSPAPER

مكتبة الملاحة

INTERNATIONAL HERALD TRIBUNE, WEDNESDAY, DECEMBER 23, 1998

DAGE 10

PAGE 5

London. Tokyo. New York.



And one bank.

Three former competitors are soon to become associates. Beginning on 1 January 1999, the LG Landesgirokasse, Südwest LB and I-Bank will be joining forces to serve their customers worldwide. Over 9,000 employees now have one common goal: Service. Your new bank in Germany. For further information: Landesbank Baden-Württemberg, Postfach 10 60 49, D-70049 Stuttgart, or on the Internet under [www.landesbank-bw.de](http://www.landesbank-bw.de).

Landesbank Baden-Württemberg

Milliyet

## INTERNATIONAL

**China Reverses Course, Allowing Global Balloonists to Fly On***The Associated Press*

LONDON — China agreed to let a round-the-world balloon expedition to continue crossing its territory Tuesday, rescinding an order that it land in rugged Himalayan terrain, the expedition organizers said.

The project director, Mike Kendrick, said he had given the news to the three-man crew.

"Gosh, maybe they can start enjoying this flight now," he said.

Mr. Kendrick said the Chinese granted permission on condition that the ICO Global Challenge balloon leave prohibited airspace as soon as possible.

"We are going to look for the fastest, most direct route out of China, which is what the balloon wants to do anyway, so we're happy to comply with that one," Mr. Kendrick said.

The landing order threatened to end the round-

the-world dreams of Richard Branson of Britain, Steve Fossett of the United States and Per Lindstrand of Sweden.

With the diplomatic crisis apparently resolved, Mr. Kendrick said the crew now had a problem of using up a large amount of fuel to keep the balloon free of ice.

"We are doing the fuel calculations now. We have taken a long time to get where we are, clawing across the Himalayas," he said. "We have used more fuel than we would have expected. We are going to have to assess the situation."

The crew had been given permission to cross China below 26 degrees north latitude, but drifted further north after navigating around Mediterranean storms and closed airspace over Iraq, Iran and Russia.

Earlier in the day, Zhu Bangzao, a Foreign

Ministry spokesman, said China could not agree to the balloon's northerly course, but he did not call on the crew to withdraw immediately or land.

Organizers of the expedition apologized, saying they were trying to head south as quickly as the wind and weather permitted.

Mr. Kendrick said Chinese air traffic controllers were informed the moment the balloon passed over the border, with an apology added to the communication. The balloon team continued to contact them every 15 minutes to keep the Chinese informed about their position.

In February, China withheld permission for a European balloon team to fly through its airspace, forcing them to land and end their around-the-world bid.

As it became apparent early Monday that the balloon would inevitably cross into unauthorized

Chinese territory, Prime Minister Tony Blair sent a message to Prime Minister Zhu Rongji of China asking for China's help.

The ICO Global balloon had already run into trouble on its trip. Libya unexpectedly revoked permission to enter its airspace, but the situation was resolved shortly before the three-man crew flew over the country Saturday.

Then, after steering around thunderstorms near Cyprus, the crew had to maneuver the 270-foot (82-meter) craft through narrow gaps between no-fly territories, including Iraq.

The crew members estimate the trip could last from eight days to nearly three weeks. They hope to touch down somewhere in western Europe at the end of a 24,000-mile (38,000 kilometer) flight, which will take them over India, the South China sea, the Pacific and the United States.

## BRIEFLY

**Sierra Leone Capital Floods With Refugees**

FREETOWN, Sierra Leone — Thousands of refugees poured into Sierra Leone's capital Tuesday as fighting intensified between rebel forces and Nigerian-led West African intervention troops based in nearby towns.

Villagers walked throughout the night to reach Freetown. In the city, they slept in the sweltering sun along sidewalks while others pitched tents and some sought shelter in shop doorways.

Several refugees said rebel fighters had burned houses and randomly killed civilians in the town of Wellington, about 20 miles (35 kilometers) to the east. There were unconfirmed reports of heavy fighting in other towns closer to the capital.

Faced with the apparent setbacks, officials from the government and the West African intervention force fighting on its behalf instituted a press blackout, declining to speak to journalists about the fighting and banning unauthorized dispatches. Earlier this month, a journalist working for the BBC was arrested and charged in connection with a report about fighting in Sierra Leone's interior.

Some West African soldiers speaking on condition of anonymity at checkpoints along the Wellington-Freetown highway said the coalition army had driven the rebels away from Wellington early Tuesday, but the situation remained unstable. (AP)

**U.S. Supports Higher Iraqi Oil Sales****But Washington Resists Tampering With UN Arms Inspection Team***Reuters*

WASHINGTON — The United States said Tuesday that it favored increasing the amount of oil Iraq can export to buy food, if an UN humanitarian mission concludes that Iraqi civilians are in need.

Undersecretary of State Thomas Pickering also said it would be a serious mistake to tamper with the structure of Unesco, the UN Special Commission set up to disarm Iraq.

At a briefing on policy toward Iraq after last week's American and British attacks, the offer of an expanded food-for-oil program was Mr. Pickering's

only concession to international concern for the welfare of Iraqis.

"Oil-for-food," Mr. Pickering said, "would be the one area where we could see perhaps the possibility of more forward movement, particularly if the humanitarian report indicated there was a greater need for food."

He noted that with the decline in the world price of oil, Iraq could not buy as much food at the same export level.

"I think that there's a possibility out there of expanding it if the secretary-general and his experts believe there is a need for expansion," he added.

But Mr. Pickering blamed Iraqi negligence and the propaganda value to the Iraqi government of letting Iraqis suffer.

"Habitually, the Iraqis have been slow in pumping oil and slow in exporting it," he said, "and that does make an impact on the issue of food availability, which is one of the reasons why we want to examine that again now."

"They either haven't bought on to the program or are very, very negligent in implementing it. They bear the responsibility," he added.

On Unesco's future, Mr. Pickering said Iraq faced a choice between economic sanctions in perpetuity and compliance with UN Security Council resolutions that give Unesco a mandate to dismantle its programs to develop weapons of mass destruction.

Earlier Tuesday, the White House said the United States was willing to use its veto power in the Security Council to keep the economic sanctions in place.

An Iraqi military spokesman, meanwhile, asserted that "enemy" warplanes had fired two missiles against southern Iraq on Tuesday.

"Enemy planes violated" Iraqi airspace twice before launching the missiles, he told the official Iraqi press agency INA, asserting that the flights were "part of a plan aimed at damaging Iraq and its people."

A spokesman for the Royal Air Force in Kuwait denied that British forces had fired on Iraq on Tuesday.

A U.S. military spokesman in Kuwait was not available for comment.



Young Alaa/The Associated Press

Darleen Biscay, a UN humanitarian worker on the oil-for-food program in Iraq, giving a friend a good-bye hug on Tuesday as she prepared to leave the airport at Amman, Jordan, to return to the Iraqi capital.

**Pentagon Criticizes 'Ramadan Present'***Reuters*

WASHINGTON — The Pentagon says it was distressed to learn that a U.S. serviceman scrawled the words "Here's a Ramadan present," a reference to the holy Islamic month of fasting, on a missile before it was fired at Iraq last week.

During a four-day attack on Iraq that ended Saturday, a wire service photographer took a picture of an Iraqi-bound missile carrying several inscriptions, including one that said, "Here's a Ramadan present from Chad Rickenberg."

The Pentagon spokesman, Kenneth Bacon, said, "Department of Defense officials were distressed to learn of

thoughtless graffiti mentioning the holy month of Ramadan written on a piece of U.S. ordnance during Operation Desert Fox."

"Religious intolerance is anathema to Defense Secretary William Cohen and to all Americans who cherish the right to worship freely," Mr. Bacon said. "We are grateful for our good relations with Arab and Islamic peoples, and we appreciate the important contributions of Muslim Americans."

Mr. Bacon said he was confident that most U.S. servicemen and women respected and appreciated religious practices different from their own. He called the incident a "rare exception."

**ISRAEL: An Isolated Netanyahu Is Facing Many Challenges in Early Vote in the Spring****Continued from Page 1**

In a radio interview Tuesday, Mr. Netanyahu derided the bustle among his party opposed to territorial compromise until it ceded up to the land-for-security peace plan this fall.

Scions of the old Likud aristocracy are jumping ship.

On Tuesday, Mr. Netanyahu's former finance minister, Dan Meridor, quit Likud and announced his intention to run for prime minister. Mr. Meridor scathingly denounced his former boss for "cynicism, manipulation and cockiness."

"The lie has become a system," he said. "Truth has disappeared and broken promises have become the norm."

Another former minister, Benny Begin, son of former Prime Minister Menachem Begin, is expected to form a new rightist party and also challenge Mr. Netanyahu.

Within Likud, Communications Minister Limor Livnat is expected to battle Mr. Netanyahu for leadership, as will Uzi Landau, a former supporter and hard-line member of Parliament.

Even the Russian immigrants are expected to split, with some remaining

behind Trade Minister Natan Sharansky, the former dissident, and others aligning behind Avigdor Lieberman, Mr. Netanyahu's former chief of staff.

"So long as we continue down this road, it will be difficult to build a stable government," said Shlomo Ben Ami, a historian and Labor Party member of Parliament. "The big parties will further disintegrate, and we will end up with either personality politics or special interest politics or both."

Some blame Israel's peculiar election reforms, which brought Mr. Netanyahu to power in the first direct election for prime minister. The Parliament was elected on a separate ballot. Mr. Netanyahu cobbled together a coalition of parties into a razor-thin parliamentary majority, but the small parties were able to hold major votes hostage to their constituents' demands.

Before voting to dissolve the government Monday, the Parliament also voted to overturn the direct elections law. As of now, however, this will not affect the spring election.



Yodania Sanchez, 22, decorating a Christmas tree in her Havana home, Cuba has made Christmas a permanent holiday.

**CUBA: Scientific Cooperation Begins to Bridge a Political Chasm****Continued from Page 1**

years ago left another legacy of scientific necessity: As much as 80 percent of the research and specimens of flora, fauna and rocks collected in Cuba over a 130-year period are in U.S. museums, largely off-limits to Cuban scientists since Mr. Castro came to power.

This month, nearly a dozen U.S. chemists spent a week in Havana with their Cuban counterparts at an international conference, a visit that came only after the U.S. scientists fought for nearly a year to win government permission. Rules of the U.S. economic embargo require a Treasury Department license for virtually any American wishing to visit Cuba legally.

"Blockades and restrictions on free trade and travel are anathematic to science," Paul Walter, president of the Washington-based American Chemical Society, one of the world's largest scientific organizations, said to his Cuban audience during the visit.

Studies published in dozens of scientific journals and interviews with more than a dozen Cuban and U.S. specialists in such natural sciences as biology, botany, geology, oceanography and paleontology show that an array of collaborative efforts are underway or have been completed in recent years.

Among them:

• More than 100 specimen cabinets and archive supplies worth \$300,000 left New York earlier this month for Havana — a donation from more than a dozen U.S.

institutions that will furnish Cuba's new National Museum of Natural History, which will open early next year in the same space that housed the U.S. Embassy before Washington cut diplomatic ties.

• A Cuban geologist and an American colleague in New York are co-authoring a book on their theory of Gaardlandia. The theory, which traces the origin of mammals in Caribbean nations to a land bridge that linked South America to the islands about 38 million years ago, is based on the two scientists' 1994 discovery in Cuba of the fossilized sloth dating back 12 million years and their later find of a sloth in Puerto Rico dating back 35 million years.

• A Cuban meteorologist, who completed two years of study at the University of Maryland this year in the first such exchange in 40 years, is now working in the Cuban city of Camaguey, where he is using a Russian-made laser to study the hole in the ozone layer and its effect on weather — data he is sharing with U.S. scientists.

Manuel Iurralde has a personal perspective on this new era of scientific détente. The 52-year-old Cuban geologist discovered the prehistoric sloths in partnership with Ross MacPhee of the American Museum of Natural History in New York.

Mr. Iurralde and other Cuban scientists said their Havana University professors encouraged them to carry on written communication with U.S. scientists, despite bans on direct contact.

Understand the need to collaborate with Americans," he said.

In the end, Mr. Silva's case was irrefutable: Cuban and U.S. plants and animals were geographically linked — and utterly different from those in the socialist nations thousands of miles away. Then, Mr. Silva told his compatriots about the holotypes. Holotypes are the single species chosen as models for newly discovered species, and Mr. Silva explained that the long history of joint American-Cuban expeditions on the island had left them in their U.S. museums.

"We estimated that 80 percent of the holotypes of the Cuban fauna were in the United States," he recalled. "These are the ultimate standards of our science, and we couldn't follow them."

**HEART: New Drugs Cut Pain****Continued from Page 1**

leading figure in the field, who discussed his work in interviews.

So far, tests of both therapies are in the first stage, where research determines whether the treatment is safe for patients. Ordinarily, researchers do not make claims for effectiveness until the later stages, involving testing on larger groups of people, are completed.

But the researchers said in interviews that they were struck by the improvements reported by more than 20 participants in these early trials, even patients whose pain could not be controlled by other drug therapy or bypass surgery. Nearly all the participants reported substantial pain relief, and some who were virtually homebound before the injection have painlessly resumed swimming, working out on exercise bicycles and pursuing other physical activities.

Pain relief usually began about three weeks after the procedure, which, on average, took about an hour in an operating room, with the patient under general anesthesia. The hospital stay was about four days.

Pain relief, even elimination of pain, has persisted in all participants who showed improvement, the researchers said. "How long that will remain effective is anybody's guess," said Dr. Lissner, the first of whose patients received the injection only 10 months ago.

## EUROPE

**As Forces Prepare, the Fear in Kosovo Is of 'War Everywhere'**By Mike O'Connor  
New York Times Service

**PERANE, Yugoslavia** — Yugoslav forces and ethnic Albanian rebels seem to be gearing each other into a major new round of fighting, with the people of Kosovo and the Western countries able to do little more than watch.

Military and police units have been on the move in the last few days. Long convoys, including tanks and armored personnel carriers, are leaving bases where the government had promised their forces would remain and are putting men in new positions or taking territory from the rebels.

The rebels, who moved into many areas vacated by the Serbs in October, are stepping up the recruiting and training of fighters and are obtaining large amounts of military gear, according to diplomats.

In the last week, eight Serbs have been slain. Serbs are convinced that the rebels are responsible and many are threatening to take their revenge against ethnic Albanian civilians.

The North Atlantic Treaty Organization's supreme commander in Europe, General Wesley Clark, and senior U.S. diplomats went to Belgrade on Monday to tell senior Yugoslav officials to rein in their forces.

But many Western diplomats in Yugoslavia say they doubt that they can stop renewed combat on a large scale, even though it had been held that the harsh Balkan winter would prevent any new conflict. The chief Western diplomat in Kosovo, William Walker, an American, is more optimistic than others. Still, he said there was not much the West could do except try to persuade the rebels and the government to act peacefully.

"I hope no one is overestimating the tools at our disposal," Mr. Walker said. "We don't have many."

In a month or so, as many as 2,000 international observers are scheduled to be on the ground in Kosovo, monitoring

each side and trying to ease tensions. Now, however, there is a question whether war will break out before most monitors are in place.

A senior Western diplomat, referring to the rebel-run Kosova Liberation Army, said: "The government's decided enough is enough; the KLA is out of control. If the government responds the way it seems to be getting ready to do, then the monitors will have to get out because there'll be war everywhere."

On Monday in Perane, six tanks were involved in combat with rebel forces that recently moved into the area. The tanks left their base over the weekend for what the government called a training ex-

ercise. The rebels are entrenched up on the hills near the fighting and the main road to the provincial capital, Pristina.

The fighting in Perane, along with the appearance Monday of heavily armed Serbian paramilitary police on nearby roads, comes after a police official was shot and killed as he walked to work Monday in a neighboring town.

None of this was supposed to happen after President Slobodan Milosevic, under threat of NATO air strikes, agreed in October to stop offensive operations and withdraw many of his forces from Kosovo. Diplomats, led by Americans, thought that if the government halted its attacks, the rebels would honor a ceasefire, allowing negotiations.

Bui negotiations have made little progress. Most ethnic Albanians, who make up more than 90 percent of Kosovo's population, want independence. The government is offering limited autonomy, and there are deep divisions among ethnic Albanian political leaders over what level of autonomy would be acceptable. Rebel leaders generally feel that they can win independence through war.

On Saturday, as the deputy mayor of Kosova Polje, a few kilometers west of Pristina, was found by the roadside shot to death. Miroslav Mijatovic, one of the 1,000 or so residents of the village of Velika Hoca, was welcoming guests to his home. It was his family's annual ceremony in homage to its patron, St. Nicholas.

Dishes of potatoes, sweet peppers, cabbage rolls, fish and cookies nearly overflowed the long table as people tried to find solace in talk of religion and tradition. But it did not work, because they said they could feel Kosovo sliding quickly into war.

"The people are not to blame for what is coming, not the Serb people or the Albanian," Mr. Mijatovic said. "Everyone wants what we had before, peace. But there are leaders on both sides who are setting a fire."

Historically, Serbs and ethnic Albanians have been very close in the area of western Kosovo around Velika Hoca. But now, the guests said, they are terrified by the rebel fighters they see on the hills around the village.

The two peoples were so close that one guest, the Serbian mayor of the city of Orahovac, 5 kilometers away, said one of his best friends was the man who is now the rebel commander for the area.

"When he started his chicken farm, he came to me for the money to buy the first load of chicken feed," said the mayor, Andjelko Kolasinac.

"We are at the limits of our patience," he added. "The West must put enough pressure on the KLA that they stop what they are doing. Otherwise what I see coming will not be stopped."

**30 Journalists Killed in '98**

**BRUSSELS** — At least 30 journalists were killed on assignment in 1998, the International Federation of Journalists said Tuesday.

"Nowadays, in certain countries, it seems to be accepted that if you kill a journalist you won't get caught," said Aidan White, general secretary of the federation.

The report said that 30 journalists and one media worker were killed as a result of their work, and that 19 more killings were being investigated to establish whether they were linked to the victims' professional activities.

Last year, the federation said at least 47 journalists were killed in 1997 while on duty. (Reuters)

**France Tightens Gun Permit Rules**

**PARIS** — Alarmed by a rise in urban violence, the French authorities tightened the country's arms laws Tuesday by widening a decree on the issue of weapon permits.

The new rules state that owners of hunting shotguns and single-shot handguns must obtain a hunting permit or belong to a gun club. Previously, the weapons could be purchased on presentation of identity papers.

A government decree said current owners must meet the rules or hand in their arms. Rifles and automatic pistols already fall under such rules. (Reuters)

**Strikers Dig In At Polish Mines**

**WARSAW** — A two-week strike by Polish miners held up underground to protest moves to scrap early retirement hardened Tuesday as the government stood firm in talks with their union.

More than 400 miners are occupying 42 mines across Poland in a strike that the Solidarity union has said could go on until Christmas. The miners oppose plans to abolish their right to retire after 25 years of work underground.

A new law due to take effect in January fixes an across-the-board retirement age of 65. Miners point out that the life expectancy of a Polish miner is 57. (AFP)

**Russia Again Postpones Ratification of START-2**

**But Moscow Sends Ambassador Back to U.S.**

By David Hoffman  
Washington Post Service

**MOSCOW** — The lower house of the Russian Parliament has delayed consideration of the 1993 START-2 strategic arms reduction treaty until its spring session out of anger over the U.S. and British bombing of Iraq, the speaker, Gennadi Seleznev, announced Tuesday.

But Russia also announced that it was returning Ambassador Yuli Vorontsov to Washington on Wednesday. He was recalled to Moscow for consultations last week as a protest over the U.S. bombing campaign. Ambassador Yuri Fokin, who was recalled from London, remains in Moscow.

One reason for the quick attempt to save the irritation over Iraq is that the Russian budget for next year has a \$4.5 billion gap and Moscow needs the International Monetary Fund to help patch it with debt relief or new loans. Russian officials have been careful not to prolong a spat with the United States, which is seen as a major influence on the IMF. Russia expects the IMF to send a new delegation to Moscow in January to talk on the economy.

The chamber, the State Duma, which is dominated by Communists and nationalists, has delayed START-2 ratification for almost six years. But in the weeks before the Iraq attack it was seen as moving toward a vote, under pressure from the government of Prime Minister Yevgeny Primakov.

The U.S.-Russian treaty would reduce the number of warheads on each

side to between 3,000 and 3,500, almost half the levels allowed under the current START-1 treaty.

Russia's nuclear arsenal is falling way below START-2 levels because of obsolescence and lack of money. In both Russia and the United States, many advocates say the treaty would lead quickly to a follow-on agreement for still deeper cuts, bringing both countries down to levels closer to the reality in Russia's shrunken arsenal.

Without the treaty, Russia's nuclear arsenal is expected to fall below 1,000 warheads seven years from now as missiles, submarines and bombers are retired, while the United States would be entitled to remain at previous levels of about 6,000 warheads.

But the pact has become something of a whipping post for anti-American sentiment, which boiled up during the bombing of Iraq last week.

"By giving the order to bomb Iraq, the U.S. president and British prime minister raised a serious obstacle on the path to ratification of START-2," said Mr. Seleznev, a Communist. "We have been discussing the document."

Other members said the ratification had been set aside for the spring session. "This, of course, does not guarantee its ratification or its discussion in the spring," said Vladimir Ryzhkov, a deputy speaker and member of the centrist Our Home Is Russia bloc. "It is simply an indication of intent to continue to work on the international treaty."

Roman Popkovich, chairman of the Defense Committee and a backer of the



President Boris Yeltsin speaking Tuesday at a Kremlin ceremony. Despite warnings that Russia is headed for economic collapse, Mr. Yeltsin said the country had weathered the worst and was ready to prosper.

treaty, was quoted by the RIA news agency as saying that the delay was not because of the attack on Iraq, but to allow more time to study documents on the future of Russia's strategic forces. "Russia is more than anyone interested in the pact," he said.

U.S. officials had hoped that a

December ratification vote would pave the way for opening talks on the next treaty in January when Secretary of State Madeleine Albright is planning to come to Moscow. Restrictions imposed by the U.S. Congress say that formal negotiations cannot begin until the treaty is ratified.

**British Aide Is Under Fire Over a Loan**

The Associated Press

**LONDON** — Trade Secretary Peter Mandelson said Tuesday that he had done nothing wrong in accepting a large loan from colleague who is now under investigation by Mr. Mandelson's department.

The Guardian newspaper said Tuesday that Mr. Mandelson, a close associate of Prime Minister Tony Blair, received a loan of £373,000 (\$627,000) in 1996 from Geoffrey Robinson, a fellow legislator who is now the paymaster general. Some of Mr. Robinson's business interests are under investigation by the Department of Trade and Industry.

Conservative Party officials attacked Mr. Mandelson, but he said: "I am absolutely sure I have done nothing wrong."

Mr. Mandelson, 45, was the main strategist of the Labour Party's victory in the 1997 election.

Mr. Robinson, 50, has been a generous backer of the Labour Party, and in 1996 he bought New Statesman, a weekly political journal which supports Labour. He had to apologize to the House of Commons for failing to declare some of his business interests, and has been criticized by opposition lawmakers for sheltering some of his assets in offshore trusts which are not subject to British taxation.

Mr. Mandelson did not disclose the loan when he was appointed trade secretary earlier this year, and informed Mr. Blair of the loan last week, The Guardian said.

"We need to know what strings are attached," said John Redwood, a Conservative lawmaker. "We need to know if Mr. Robinson has bankrolled other senior members of the government."

Peter Lilley, a Conservative former trade secretary, said the loan should have been disclosed as soon as Mr. Mandelson assumed his present post.

"The first thing that happens when you are appointed is the permanent secretary, the head civil servant, asks you to know all your interests, all your assets and liabilities," Peter Mandelson, it appears, did not tell him the truth, Mr. Lilley said.

Mr. Blair's office said he was confident that Mr. Mandelson had been "properly insulated" from any decision by trading officials related to Mr. Robinson's business interests.

In an interview on BBC Tuesday, Mr. Mandelson said the loan was a "personal arrangement made by two friends and colleagues."

**Bonn Partners Spar Openly on Nuclear Energy**

Agence France-Presse

**BONN** — In the first public dispute in his center-left coalition, Chancellor Gerhard Schroeder on Tuesday warned his environment minister, Jürgen Trittin, to toe the government line on abandoning nuclear energy.

Earlier Tuesday, Mr. Trittin unilaterally dissolved two commissions set up to advise the government on the nuclear industry ahead of consultations with power companies on abandoning nuclear energy.

Mr. Schroeder moved to quash this insulation immediately, saying in a bulletin that Mr. Trittin's "decision was not reached in agreement with the chancellor."

He warned that he would stick to the agreement for talks with the nuclear industry to reach a consensus on how to abandon nuclear energy and said: "Whoever challenges this questions the political accord we have and which is an

important component of the coalition." The governing partnership joins the Social Democrats of Mr. Schroeder and the Greens, whom Mr. Trittin leads.

It was the most dramatic rend to the split between the men over abandoning nuclear energy.

The coalition government that took power less than two months ago called for abandoning nuclear energy but set no date. It said there would be a year of talks with the power industry before setting one. But it said that a law on the principle of abandonment would be passed within 100 days of the government's taking power Oct. 27.

Mr. Schroeder, who has made his career as a leftist by taking business interests into account, has stressed compromise with the nuclear industry and has dismissed a Greens deadline of

December to want to give nuclear-energy companies 20 to 40 years to close down their plants.

The nuclear industry, which supplies a third of the electricity in Germany, has said that closing its 19 atomic plants would cost 88 billion Deutsche marks (\$52 billion).

It says the closures eventually could eliminate 150,000 jobs, even though the 19 plants employ only about 400 people each, according to Winfried Matthes, a utilities analyst at Deutsche Bank.

The chancellor also has said that international contracts on reprocessing German nuclear fuel must be honored, even though the environment minister wants all reprocessing to stop immediately.

The government last week postponed until mid-January plans to present the draft bill banning nuclear energy.

**'Colonel Passy' of French Resistance Dies at 87**By Craig R. Whitney  
New York Times Service

**PARIS** — André de Wavrin, the "Colonel Passy" who forged a Resistance intelligence network for Charles de Gaulle in World War II, died at his home in Paris on Sunday. Friends

said. He was 87.

Born in Paris in 1911 and a graduate of the Ecole Polytechnique, the leading French engineering school, Mr. de Wavrin was a 29-year-old captain teaching fortifications at the military academy of Saint-Cyr when war broke out.

He first saw action in a British-French expedition to retake the northern Norwegian port of Narvik from the Germans in 1940. The expedition was recalled after France's defenses against the Germans collapsed, and Mr. de Wavrin ended up stranded with the other French officers near Manchester, England.

Though his wife and family were still in France, Mr. de Wavrin decided to stay in Britain and, on July 1, 1940, found the headquarters that de Gaulle had set up in London, and volunteered for whatever duty the general might see fit to give him.

He emerged from a brief meeting with the job of organizing the Free French operational and intelligence organizations.

"Nothing had prepared Passy for this unprecedented mission," de Gaulle wrote in his memoirs, "but I preferred it that way."

Mr. de Wavrin and three lieutenants picked their Resistance pseudonyms from a map of the Paris Metro. He chose Passy, the name of a station near his home in the 16th Arrondissement, and decided to concentrate on the intelligence part of the assignment de Gaulle had given him.

Working out of a three-room suite at the Resistance's London headquarters at 4 Carlton Gardens, Mr. de Wavrin and his men scoured military camps and hospitals in southern England to recruit volunteers for a service that had to be built from scratch.

Slowly, with skeptical help from the British and despite fierce rivalries within de Gaulle's organization, Mr. de Wavrin's group began sending agents across the English Channel in boats.

Passy, whose constant scanning unnerved many who dealt with him, soon built up a roster of enemies almost as long as those of his agents.

His enemies accused him of operating a small-scale Gestapo office in London, complete with dungeons for the uncooperative, the American historian Gordon Wright later wrote, and Mr. de Wavrin was accused (falsely, he insisted) of having been associated with an extreme-right subversive organization, the Cagoule, before the war.

There were setbacks, notably the failure of a mission with de Gaulle to Dakar, Senegal, in 1940 to try to persuade the French garrison there to rally to the Resistance.

"We had practically no means, while the English had everything," Mr. de Wavrin wrote, and that included the radios on which his organization depended for contact with agents in occupied France.

To prevent the British from eavesdropping, Mr. de Wavrin established a separate French code. Annoyed, the British started delivering the messages to him only at midnight. He

retaliated by summoning British secret service officials to his headquarters to receive inconsequential messages at odd hours of the night. "Miraculously the telegrams began to arrive at more normal hours," he related later.

But in 1942 and 1943 his Bureau Central de Renseignements et d'Action attracted people in France like Jean Moulin, who were disaffected with the Vichy occupation regime. Mr. Moulin, later a martyred hero, was part of a group that worked to unify all the various strands of the Resistance under de Gaulle's leadership.

Mr. de Wavrin himself parachuted into Britain in August 1944 and helped take charge of a force of 2,500 Resistance soldiers operating with advancing American units. The force captured 2,000 prisoners.

## EDITORIALS/OPTION

**Herald Tribune**  
INTERNATIONAL**A Political Resolution**

The White House is said to be considering making the argument that last week's impeachment resolutions expire with the 105th Congress, meaning that the new Senate would have no articles of impeachment legitimately before it when it convenes next year. That is absolutely the wrong approach to the problem that the president's misconduct forces the country to face. We do not mean by this to comment on the complicated merits of the argument. Our point is simply that, as a matter of choice, of policy, the president would do a huge disservice in pursuing it.

It does not help either him or the country for him to prolong the proceedings that will begin in the Senate next month. That is true even if you believe, as we do, that the House should never let it get this far in the first place. Nor does it help for him to survive those proceedings on a narrow point of law, however significant in other respects that point may be.

This is not a case for legalistic argument anymore. It is time to sit the lawyers down. We have had enough of the distinction between perjury and "mere" lying under oath, as if the latter were somehow less reprehensible. We have had enough — too much — of answers in which the elected leader of the country debases himself and his office by saying it depends on what "is."

The need is for a political resolution of the problem posed by the president's lies — the problem of whether and on what terms he should be allowed to complete his term. It should be a resolution that the bulk of the country will regard as legitimate and fair. The president has it within his power not to try to escape whatever may be the judgment of the Senate on a point of

law that many people would regard, rightly or wrongly, as a technicality. He might be able to gain some legitimacy from it. He would not gain legitimacy.

The Senate, being the Senate, is bound to engage in lengthy procedural debate before it even begins to approach the substance of the charges before it. In the Senate, procedure is often a code for substance. A debate is already under way, for example, as to whether the Senate is bound to conduct a trial or could dispose of the charges against the president by censure or some other resolution short of that. The Republican leadership and some others say the constitution requires a trial; the president's defenders would rather avoid one, lest it become a protracted effort to sban him out of office.

Our sense is that the Senate should try to avoid a full-length trial. The president needs to help by coming cleaner than he has thus far about some of the things that a trial might be meant to establish. The votes to remove the president from office do not appear to exist in the Senate, nor do we think that on the strength of what he has been shown to have done, he should be removed. The Senate should censure him, and do it unmistakably. He needs to be forced to acknowledge, as he has not thus far, not just what he did but why it matters — that lies of the sort he told under oath and otherwise raise a legitimate question as to the fitness of a president to serve.

Mr. Clinton's low crimes and misdemeanors seem to us to be insufficient grounds for removing a president from office, but neither are they tolerable. Censure is the least harmful of the imperfect alternatives, and the Senate should find a way to get to it.

—THE WASHINGTON POST

**Peace and Politics in Israel**

The campaign to choose Israel's next government began on Monday. That will mean regrettable new delays in peace talks with the Palestinians. But the elections, to be held sometime early next year, will give Israeli voters a chance to reinforce the wobbly Middle East peace effort.

The fractious right-wing coalition led by Prime Minister Benjamin Netanyahu for the past two and a half years has shown itself incapable of consistent movement toward peace. A new, more broadly based government could prove more productive.

Mr. Netanyahu's two main opponents, Ehud Barak, the Labor Party leader, or General Amnon Lipkin-Shahak, an independent centrist, are obvious candidates to lead such a government. But Mr. Netanyahu, if he can find a way to free himself from the uncompromising right, could also do the job. He is more of a pragmatist than an ideologue and deserves credit for leading his Likud party away from rejection of all territorial compromise.

But most of his term has been consumed by narrow tactical maneuvers.

—THE NEW YORK TIMES

**A Banana Split?**

The United States and the European Union are headed toward an avoidable collision over bananas. On Monday, in retaliation for EU restrictions on banana imports, Washington announced a list of European imports that will be subject to 100 percent tariffs, ranging from cashmere sweaters to plastic purses.

The Europeans are flouting a ruling by the World Trade Organization that their banana restrictions, which discriminate in favor of European companies in importing the fruit, are illegal. Such defiance is discouraging when protectionist pressures are growing in many countries.

The principal beneficiary of an American victory would be Chiquita Brands, whose chairman, Carl Lindner, has been a generous contributor to both Democrats and Republicans. That has allowed Europeans to claim, inaccurately, that this is about politics, and that they are simply favoring poor Latin American banana exporters. In fact, Central American countries, also poor, are joint plaintiffs with the United States in this dispute.

Rather than negotiate a settlement after the WTO decision, the Europeans announced new banana rules. But these made no significant changes, and appear to be an effort to delay compliance. Europe resisted efforts to get a rapid WTO opinion on the rules.

—THE NEW YORK TIMES

**Other Comment**  
**Refocus the Iraq Sanctions**

We know that if sanctions were lifted, Saddam Hussein, in no time, would rearm and rebuild his [weapons] programs within months, not years. And we have no doubt that Saddam would then be in a position to execute revenge against every country that stood up against him.

The proper policy in dealing with Saddam is not by lifting sanctions but by making sanctions more regime-threatening. This could be achieved by redirecting the sanction targets away from the innocent Iraqi civilians toward the regime itself.

—Kuwaiti Ambassador  
Mohammed S. al-Sabah, addressing  
the U.S. Institute for Peace.

**Herald Tribune**

ESTABLISHED 1867  
KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER  
Co-Chairmen of the Board

PETER C. GOLDMARK Jr., Chairman and Chief Executive Officer  
RICHARD WOOLDRIDGE, President and Chief Operating Officer  
MICHAEL GETLER, Executive Editor

• WALTER WELLS, Managing Editor • PAUL HORVITZ, Deputy Managing Editor  
• KATHERINE KNORR and CHARLES MITCHELMORE, Deputy Editors  
• ROBERT J. DONAHUE, Editor of the Editorial Pages  
• JONATHAN GAGE, Business and Finance Editor • SAMUEL ABT, Associate Editor  
• RENE BONDY, Senior Vice President and Chief Financial Officer  
• DIDIER BRUN, Circulation and Development Director  
• STEPHEN DUNBAR-JOHNSON, Advertising Director  
• Directeur de la Publication: Peter C. Goldmark Jr.

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.  
Tel: (33) 1 41 43 93 00. Fax: (33) 1 41 43 93 10. Advertising: (33) 1 41 43 92 12. News: (33) 1 41 43 93 38.  
Internet Address: <http://www.iht.com> E-Mail: [iht@iht.com](mailto:iht@iht.com)  
Editor for Asia: Michael Richardson • Correspondent, Rd. Singapore: (65) 43 42 7777 Fax: (65) 43 42 1150  
Mrs. Dr. Ann. Ngap L. Odgers: P.O.B. 191, 191 Jalan Raja, Kuala Lumpur, Malaysia Tel: (603) 902 1000 Fax: (603) 902 1150  
Gen. Mgr. Germany: T. Schäfer Frider, Tel: (49) 69 97 5200 Fax: (49) 69 97 5204-20  
U.S. Office: 850 Third Ave., New York, NY 10022 Tel: (212) 727-0000 Fax: (212) 727-0000  
U.K. Advertising Office: 63 Long Acre, London WC2E 9LP Tel: (171) 830-0802 Fax: (171) 240-2254  
S.A.S. Un capital de 1.200.000 FRS. RCS Nanterre B 72505126 Commission Particulière No. 61337  
© 1998, International Herald Tribune. All rights reserved ISSN: 0362-0484

**A Compromise Could Civilize the Political Wars**

By E. J. Dionne Jr.

WASHINGTON — It is possible to imagine that some good will come from the impeachment of Bill Clinton. This depends on what happens in the next several weeks. The House vote could mark the beginning of the end of a long spell in American politics when Mr. Clinton's failures, sins and alleged crimes dominated public debate to the exclusion of all else.

Many Republicans and perhaps a few Democrats will keep pushing for his resignation or removal. But even before the House voted on Saturday, some congressmen made clear that they were voting for impeachment in

**Don't Expect a Clinton Victory in the Senate**

THE overwhelming majority of Republican senators will vote for conviction, so the president's fate rests in the hands of 45 Democrats. They must decide whether to condemn or condemn.

Morally, they know that if they vote against conviction, they will cede the high ground to their Republican colleagues. They will not be the ones upholding the constitution. They will not be the ones insisting that no man is above the law. Their Republican colleagues will state that case and it will ring true, as it always has.

It is said that enough votes to convict Mr. Clinton cannot be found in the Senate chamber. Do not believe it.

—John Ellis, in *The Boston Globe*.

would not resolve the crisis. (Not that he will resign, given his pledge to serve "until the last hour of the last day" of his term.) But many Democrats who might have wanted him to quit in August or September have shifted their anger to the Republicans. It was that anger that fueled the passion in House Democratic leader Dick Gephardt's final floor speech.

The sad resignation of Speaker-designate Bob Livingston over Hustler magazine's revelations about his sexual life will play less of a role than either party expects in the denouement of the Clinton case. Republican arguments that Mr. Livingston's resignation stands as a model for Mr. Clinton are undercut by reports that the Louisiana Republican was pushed to quit by a group of his colleagues, at least 18 of whom expressed second thoughts about his leadership.

"I concluded I would not have been effectively leading 100 percent of the Republicans," he told The Washington Post on Sunday, "so it was a matter of cutting your losses."

No Republican will be convinced by the Democrats' use of Mr. Livingston's troubles as an example of the "politics of personal destruction." For Republicans opposed to Mr. Clinton, the president's alleged crimes and Mr. Liv-

ington's peccadilloes are not remotely comparable.

But the terrible power that has now been handed to Hustler magazine ought to affect the long view that Washington takes of the current power struggle.

In one of the impeachment debate's most honest speeches, Representative Charles Schumer, Democrat of New York, took his fellow politicians to task for "routinely using criminal accusations and scandal to win the political battles ... that we cannot settle at the ballot box." He said the tactic "has been used with reckless abandon by both parties, Democrats and Republicans," and "it is hurting our country — it is marginalizing and polarizing this Congress."

Mr. Clinton is not the one to make this case, having created the scandal that gave his enemies their opening. Democrats cannot make the case convincingly unless they admit how their own win-at-all-costs approach to the battles over the Supreme Court nominations of Robert Bork and Clarence Thomas contributed to the present climate.

But those who seek a compromise settlement in the Clinton matter can do so with an eye toward forcing both parties to step back and think anew about how they wage the political wars.

The Washington Post.

**Old Problems in India as It Slowly Opens for Business**

By Philip Bowring

NEW DELHI — Gloom is as much the norm as the haze which chokes this city in winter. India may have escaped the East Asian turmoil, but with a weak economy it is scarcely the shining light it hoped to be.

After crushing defeat for the Bharatiya Janata Party of Prime Minister Atal Bihari Vajpeyi in recent state elections, yet another change in government is now a strong possibility within 12 months. Even the nuclear test was a brief flash that so far at least has done nothing to increase India's global influence.

The economy, which had spurred past 6 percent growth, is slipping back toward pre-reform sub-5 percent growth; exports and foreign investment are falling; the fiscal deficit is rising to worrying levels; the stock market has gone nowhere for two years; inflation is back in double digits.

The usually optimistic Bombay business community complains about falling profits, import competition and the central government's failure to implement a right-wing economic agenda. Foreign business is frustrated by obstruction of liberalizing legislation. All are exasperated by the snail's pace of desperately needed power and road projects due to intertwined political, bureaucratic, legal and financing problems.

Some of the bureaucratic elite have drawn the wrong conclusions from East Asia's temporary upset, seeing it as reason to maintain failed policies of protection, subsidies and tight control on foreign investment.

The more exasperated players hope for what was deemed likely at a recent World Economic Forum meeting here: a foreign exchange and fiscal crisis similar to the one in 1991

that forced reform.

Current slow growth is more

the result of bad weather, lower manufacturing investment and the external environment than of anything the government has or has not done. These are normal cyclical events, and they are forcing some industries into restructuring. Farming should lead a pickup in 1999.

The more important issue is whether project and reform delays now will hold up future growth. The answer is almost certainly "yes." It is the nature of the system.

Liberalization achieved a one-off spurt in output, and if it is maintained it should enable growth to settle at 4.5 to 5 percent — way below what ought to be possible.

Wrong priorities are a problem.

The past weeks have been

dominated by debate on the

level of foreign investment to

be allowed into insurance. This

is of minimal economic importance compared with such little discussed issues as how to quicken the pace of agricultural productivity and create demand for manufacturers.

So India seems stuck at a moderate growth rate that will leave hundreds of millions in dire poverty well into the new millennium.

But it will still achieve a level that should appeal to investors, given the relative predictability of India compared with China, the national scale of Chinese names and the quality of management talent available.

The remarkable progress that India has made in a few areas — for instance, computerization of stock market trading and settlement — will keep some money and talent flowing.

As for the politics, it will inevitably continue as a series of compromises, whether between partners in multiparty coalitions or between competing interests within the Congress Party. It should regain a majority at the next election.

The government has not been as decisive as many had hoped because of the need for deals with regional parties in the coalition and compromises between free marketers and economic nationalists. Even so, liberalizing policies have indeed been adopted.

Many hope that the influence of regional parties at the national level has passed its peak. As ebbing would certainly make central government easier, but India's diversity has to be represented somehow.

The BJP's extreme Hindu connections have long cast doubt on its ability to become the majority party, and recent elections appear to have been a setback.

Investors are now wary of Asia, including China. They are pulling back. They will not invest again unless permanent reforms are made.

But China is moving in the

opposite direction.

Perhaps it believes that U.S.

businesses will do anything to

invest. It may be underestimating the current level of frustration and the attractiveness of other global markets.

China is in the midst of sweeping economic reforms. Growth remains solid. These reforms and this growth must continue. Closing markets key sectors will not help.

This comment has been adapted by the International Herald Tribune from a speech on Dec. 17 before the U.S.-China Joint Commission on Commerce and Trade, in Washington.

general commitment to liberal reform is hedged about by socialist, nationalist, regional and bureaucratic aspirations.

It is in practice very difficult to have decisive central government in the world's most diverse and plural nation. The best that can be hoped for is gradual erosion of the unbalance of populism, defensive nationalism and bureaucratic interventionism that for years killed initiative and wasted savings and still retards investment.

The electoral revival of Congress under Sonia Gandhi has been surprisingly swift. She believes that Congress must now ride its time and aim to get back into power after fresh elections rather than cobble together a new coalition to oust the BJP.

That she has been thrust into leadership of the party says much about the problems of India's parties in producing national leaders. Is also testament to India's social pluralism. Economically, that means that a

There has been some progress in sales to China, but only in bits and pieces. American companies do not have the access to the Chinese market that they ought to have.

And it is getting worse. In the last few months, new restrictions were imposed on at least nine key sectors in China, from agriculture to telecommunications to insurance.

Many U.S. companies believe that China holds the greatest potential for global export growth. They have played by Chinese rules. They have invested, transferred know-how, capital and technology.

But harmful rules involving export performance, local content, technology transfer and equity requirements are severely limiting investor options. Of particular concern are new foreign exchange controls. They are causing significant delays in payments to U.S. companies.

Investors are now wary of Asia, including China. They are pulling back. They will not invest again unless permanent reforms are made.

But China is moving in the opposite direction.

Perhaps it believes that U.S. businesses will do anything to invest. It may be underestimating the current level of frustration and the attractiveness of other global markets.

China is in the midst of sweeping economic reforms. Growth remains solid. These reforms and this growth must continue. Closing markets key sectors will not help.

This comment has been adapted by the International Herald Tribune from a speech on Dec. 17 before the U.S.-China Joint Commission on Commerce and Trade, in Washington.

**IN OUR PAGES: 100, 75 AND 50 YEARS AGO****1898: Menelik's Wrath**

ST. PETERSBURG — Rumors are current as to the hostile intentions of the Negus Menelik against Italy. The Abyssinian monarch is very angry because the Italians have invaded the Red Sea to raise against him, and because they have acted as though they were masters of Rethia, the Sultan of which place the Negus regards as his vassal. Menelik is said to intend making war with the object of driving the Italians right out of Africa.

And the precept of moral

reciprocity (supporting political advantage) is the American argument. "A lie is

## OPINION/LETTERS

**Americans Shed No Tears Over What's Just Politics**

By James K. Glassman

**N**EW YORK — Here on the West Side of Manhattan, on Saturday night, eight hours after the House impeached President Bill Clinton, the citizens around me were crying their eyes out.

Yes, this city is a horde of Clinton supporters. But, no, illness New Yorkers were not crying because their hero will be couped in the history books with Andrew Johnson and may soon be calling a moving van to 1600 Pennsylvania Avenue.

They were crying because they had just watched Roberto Begnini's magnificent film, "Life Is Beautiful," a sad and touching comedy about a father and son in a Nazi concentration camp.

They dabbed their eyes and walked out of the Paris Theater into the sparkling New York night, illuminating Offenbach, carrying Bergdorf Goodman shopping bags, kids and sweethearts on their arms. About impeachment, not a word.

Truth is, few Americans seem agitated, one way or the other, about the president's fate. The nonreaction to the vote Saturday is only the latest and most dramatic manifestation of the growing irrelevance of national politics to Americans' lives.

Instead, more and more, Americans are concerned about their families and friends, about their work and finances, about religion, art and culture — and, occasionally, about state and local government. In short, the reason few of us Americans are in a dither over the president's imminent and historic trial in the Senate is that it means little to us. Does it really matter whether Mr. Clinton serves out his term or is replaced by Vice President Al Gore? Of course not.

Investors do not seem to be worried. The Dow Jones industrial average rose 180 points in the first hour of trading on Monday and finished ahead 85 points in the fourth straight advancing session.

The growing insignificance of national politics and government is a good thing, not a bad thing. John Adams, in a famous 1780 letter to his wife, Abigail, wrote: "I must study politics and war; that my sons may have the liberty to study mathematics and philosophy... in order to give their children... a right to study painting, poetry, music."

It is the triumph of America's salesmen and warriors that allows us to turn our attention from politics and war and toward,

family, work, art and other enhancements and diversions.

Two changes, especially, have hastened this development: the fall of the Soviet Union, which removed serious foreign threats, and the robust growth of the private sector, which has spread prosperity across the nation.

The structural changes that made businesses far more efficient, the global nature of markets and the revolution of technology have created an economy so resilient that it simply shrugs off both impeachment and a bombing attack on Iraq.

John Maynard Keynes wrote in 1931 that "the economic problem may be solved... within a hundred years." It looks like we are on target.

As the private sector has waxed over the past decade and more, the national government has waned, its growth mainly the result of burgeoning transfers of income rather than huge new programs.

Then again, the notion that government is all that important (except in wartime) may just be a long-running myth, perpetuated by the chattering classes, especially reporters and editors who would be out if their stories caught on.

As usual, Dr. Samuel Johnson had it right 235 years ago:

*How small, of all that human hearts endure,*

*That part which laws or kings can cause or cure!*

*Still to ourselves in every place consigned,*

*Our own felicity we make or find.*

In this holiday season, we discover that felicity, in the warmth of our families, in acts of charity, or, often unexpectedly, wrapped in a book, or in a movie theater or museum.

This is not to say that we should turn our backs on the impeachment debate or the threats in the Gulf. But Americans need a sense of proportion. Remarkably, they are finding as they absorb the events of the past few months with admirable equanimity.

And so, with perfect judgment, they shed their tears, not for a self-centered politician in the White House but for fictional children rescued from the death camps.

*The writer, a fellow at the American Enterprise Institute, contributed this comment to The Washington Post.*



'Between the White House, Kenneth Starr and Congress, he has a lot of stockings to fill.'

## LETTERS TO THE EDITOR

## Clinton and Congress

At its root, the partisan call for impeachment blood grew from an idea that should always have remained between the man, his God, and his wife. It would be all too fitting if partisan Republicans eventually feel a sense of Pyrrhic victory, for in the end they have done more to define impeachment (and its constitutional misuse) than to hand Bill Clinton.

BRIAN HILBURN,  
Amsterdam.

Since the days of the Magna Carta, English law has stressed the right of an accused person to a trial by peers.

Considering the number of congressmen whose sexual misconduct is currently being revealed, President Clinton is certainly being judged by his equals.

FRANK LUDWIG GROSSMAN,  
Anglet, France.

Every president needs difficult times to prove his greatness. Mr. Clinton's rightist enemies are unwillingly providing him with a moment.

VICTOR OSCODAR,  
Anglet, France.

As a step toward ending the accelerating deterioration of U.S. public life and making members of Congress accountable to public opinion, Americans should rally around the following goals:

• Abolishment of the office of special prosecutor, inherently prone to serving as an instrument of partisan politics.

• A constitutional amendment restricting representatives to a maximum of two terms in office.

• A constitutional amendment protecting all private, consensual sexual behavior from investigation by government officials or organizations.

• A code of ethics, to be voluntarily signed by leaders of the media, containing a pledge to respect individual privacy in matters of sexual behavior.

It is hard to imagine that if such measures were currently in force we Americans would be witnessing the degrading spectacle to which our representatives, aided by the media, are treating us today.

GEORGE N. CLEMENTS,  
Paris.

The recently concluded air strikes have accomplished nothing except providing spectacular fireworks for the benefit of CNN cameras. They have killed civilians without causing any harm to Saddam's leadership. Only complete liberation of Iraq will resolve the crisis for good.

MAHMOUD ELAHI,  
Ottawa.

The attack on Iraq is a betrayal of the United States' commitments to the United Nations and the world community, and of all who are working to create an international order that resolves conflicts lawfully and without unnecessary loss of life. Rather than contributing to peace and disarmament, the strikes will increase tensions in the region.

MICHAEL CANNEY,  
St. Peterburg, Florida.

What is now needed for Iraq is a peacemaker to bring to an end the inspections and sanctions regime. Surely the figure most respected by all sides must be the UN secretary-general's special envoy, Prakash Shah.

He stayed in Iraq during the air strikes and would be an ideal person to bring about a structured end to the suffering of the Iraqi people, who in reality are the only victims in this mess.

ALEX WEIR,  
Luxembourg.

As we saw in the Gulf War, when bombs are aimed at military targets in Baghdad, civilians die. Killing ordinary Iraqis is like killing hostages to punish the hostage-takers.

The fear of military casualties is the main reason why U.S. political leaders are reluctant to take any action to liberate Iraq from Saddam's rule, even though they pay lip service to such a goal.

What is now needed for Iraq is a peacemaker to bring to an end the inspections and sanctions regime. Surely the figure most respected by all sides must be the UN secretary-general's special envoy, Prakash Shah.

He stayed in Iraq during the air strikes and would be an ideal person to bring about a structured end to the suffering of the Iraqi people, who in reality are the only victims in this mess.

ALEX WEIR,  
Luxembourg.

**The Cyber-Christmas Spirit Isn't Quite the Real Thing**

By Ellen Goodman

**B**OSTON — It is 3:30 P.M. And I have gone shopping. Actually, I have not "gone" anywhere. I am sitting at my desk, discovering what a mall would look like after a neutron bomb hit. All goods, no humans. I am shopping on-line.

While waiting for a call back from a source in California, I send a calendar to a niece in France. Click. While holding for an editor in Washington, I buy a sweater for a son-in-law in Montana. Click.

## MEANWHILE

While waiting for a ride home, an amaryllis wings its way to New York and a bird feeder to Boston. Click. Click.

Within an hour and a half, with assorted interruptions, I have bought, wrapped and shipped four presents. I have done this without my signature wrapping paper — or the daily newspaper — or my signature Christmas suit. I have done it without any risk of bodily injury — high blood pressure or fallen arches — short of carpal tunnel syndrome.

I have, in fact, made my list and clicked it twice. Mission accomplished, naughty or nice.

This was my virgin journey into on-line shopping, a world subject to more hype than Furby, the high-tech creature that is also, and almost only, available in the Netspace.

This is not all that is cyber-impersonal. The aforementioned gifts were, you see, unioined by my human hands.

I am a direct descendant of the gatherer side of the hunter-gatherer forebears. But virtual gathering is not shopping as my gender knows and loves it. It is buying for the shop-averse.

Why not avoid the middleman, or middle-Web site altogether and exchange credit cards? Deck the halls with boughs of Visa.

Forgive my nostalgia. I grew up on "The Gift of the Magi." I confess that the rest of my presents were high-touch not high-tech.

There is no doubt that The Ghost of Christmas Future is Efficiency, but it has left me looking forward to the night before this Christmas. All through the house, not a creature will be stirring. Not, even a (computer) mouse.

*The Boston Globe*



## THE INTERMARKET

FOR EUROPE +44 171 420 0348  
FOR THE AMERICAS 1-800 572 7212  
FOR ASIA +852 2922 1188

## GENERAL

## Herald Tribune

THE WORLD'S DAILY NEWSPAPER

## PLANNING TO RUN A CLASSIFIED AD?

Please your Ad quickly and easily, contact your nearest IHT office or representative with your text. You will be informed of the cost immediately, and once payment is made your ad will appear within 48 hours. All major Credit Cards Accepted.

## EUROPE

## AFRICA

## EGYPT

## SOUTH AFRICA

## GERMANY AUSTRIA &amp; CENTRAL

## NORTH AMERICA

## FINLAND

## ITALY

## NETHERLANDS

## Greece &amp; Cyprus

## SWITZERLAND

## PORTUGAL

## SPAIN

## PALESTINE

## MIDDLE EAST

## AUSTRALIA

## NEW ZEALAND

## ASIA/PACIFIC

## HONG KONG

## JAPAN

## PHILIPPINES

## SINGAPORE

## THAILAND, BURMA

## AUSTRALIA

## UNITED ARAB EMIRATES

## SAUDI ARABIA

## INDONESIA

## VIETNAM

## LAOS

## CAMBODIA

## PAKISTAN

## AFGHANISTAN

## IRAQ

## YEMEN

## Y



Merry ChrisTTmas.

مِنْ أَهْلِ الْأَرْضِ

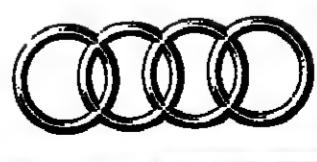
INTERNATIONAL HERALD TRIBUNE, WEDNESDAY, DECEMBER 23, 1998

PAGE 15

A

II



Audi   
Vorsprung durch Technik



## BUSINESS/FINANCE

WEDNESDAY, DECEMBER 23, 1998

PAGE 11

## Japan Plans To Purchase Fewer Bonds

### Tokyo's Unexpected Move Rattles Financial Markets

COURTESY OF THE JAPANESE GOVERNMENT

**TOKYO** — Japanese authorities blindsided the financial markets on Tuesday, saying they would cut back their purchases of government bonds and indicating they were not worried about the recent rise in long-term interest rates.

The move sent prices of government bonds plunging, forcing yields to the highest levels in a more than a year, and helped drive the benchmark Nikkei 225 index down 2.6 percent.

"For Japan, this is extraordinary," said Russell Jones, chief economist at Lehman Brothers Japan.

The Finance Ministry's Trust Fund Bureau, which holds about a third of outstanding government bonds, said it would stop its purchases of bonds in the secondary markets as of Jan. 1. At the same time, the Bank of Japan hinted it also would reduce its bond purchases, saying it was not "natural" for the central bank to hold as much in government bonds as it does.

This comes a day after the government said it would double sales of new debt during the year to March 31, 2000. The government needs money to fund tax cuts and fuel spending to end the recession.

The yield on Japan's benchmark 10-year bond, which moves in the opposite direction of the price, notched its biggest one-day rise ever, increasing 0.39 point, to 1.895 percent. That is the highest yield since September 1997; the bond was yielding a record low 0.7 percent in October.

The yen plunged against the dollar on worries that rising interest rates would keep the economy pinned in its worst postwar recession.

Finance Minister Kiichi Miyazawa added to the bond market's woes by saying prospects for higher rates if the ministry halted purchases of the securities "would not be a big deal."

Masaru Hayami, governor of the



A business executive watching share prices tumble in Tokyo on Tuesday.

Bank of Japan, acknowledged that yields were rising but said, "I am not very worried about it."

But investors were worried.

"Higher yields represent a real problem for the economy," said Marshall Gittler, a strategist at Bank of America in Hong Kong. "Low interest rates have been the main support for corporate profits; if rates go up, companies will have to find other ways to improve their results, such as firing people."

Economists are increasingly worried that ambitious government spending plans to stimulate the economy will be increasingly difficult to finance by an amount already carrying a huge government debt load. As Japan has struggled to recover from the bursting of its speculative bubble economy in the early 1990s, the government has poured more than 100 trillion yen (\$861 billion) into regular stimulus packages hoping to spark growth.

This year alone the government has brought in two huge stimulus spending packages, worth a combined 40 trillion yen, as well as set up a 60 trillion yen fund to deal with the banking crisis.

The government said Monday it would issue a record 71 trillion yen in debt to finance the budget for the year starting in April, including the 31 trillion yen in new issues.

Worries over Japan's exploding government debt, which in total exceeds a full year's gross domestic product, were

behind the November downgrade of Japan's sovereign debt by Moody's Investors Service Inc. from its high rating.

Over the past five years, the Bank of Japan and the Ministry of Finance have absorbed an average of 21 percent of the total government debt issued, according to an estimate by Merrill Lynch. With that demand absent, private-sector investors will be hard-pressed to buy the entire debt load.

"Clearly this means higher interest rate costs to the private sector," Mr. Jones said. "They have already got enough problems finding money at a reasonable cost."

While foreign investors have largely abandoned the market because of its low yields, Japanese government bonds have been bought by local banks because they do not want to risk money on the stock markets or in credits to cash-strapped companies.

As long as the government flounders in its attempt to sort out the estimated 77 trillion yen in bad debts at Japanese banks, it is likely to stay that way. Bank capital has been further depleted as the Nikkei 225 stock index lost a tenth of its value in the past six months.

"Higher interest rates may initially have a limited impact on capping loans from banks to corporations because banks aren't extensively giving out loans to begin with," said Michael Lockwood of Thomson Global Markets.

(Reuters, Bloomberg, AFP)

## The Pope on the Euro? It Could Happen

By John Tagliabue  
New York Times Service

**ROME** — Will the Pope be on the euro?

The question is hardly academic, for while the European Central Bank's directors gathered in Frankfurt on Tuesday to set initial corridors for euro interest rates, European Union officials met in Brussels to figure out how to spread the new single currency into Europe's farthest nooks and crannies.

At issue were French-controlled islands — Mayotte, in the Indian Ocean, with a French-speaking population of 105,000, and Saint Pierre and Miquelon, rocky outcroppings off Newfoundland, population 6,800, mainly fishermen and their families. Technically, the islands are not part of the European Union, but the officials proposed that, when France adopts the euro in January, they be allowed to do likewise.

Trickier was the question discussed on Monday regarding three tiny independent states on European territory — Monaco, the principality in southern France; San Marino, a republic in central Italy, and the Vatican, the domain of Pope John Paul II in Rome.

European officials dealing with the euro have long puzzled about how to treat these mini-states. Under an agreement with the French central bank, Monaco has long minted Monégasque francs for use in its territory. Similarly, San Marino and the Vatican use Italian lire, and mint lire coins, though not notes, including Vatican coins with the image of the Pope. Unlike Monaco's francs, which are not legal tender in France, the lire of San Marino and the Vatican are good throughout Italy.

But in 2002, when euro notes and coins are introduced, lire and francs will disappear, and Brussels must decide whether to allow these three states to adopt the euro, even though they are not in the European Union.

On Monday, the European Commission proposed to freeze the status quo.

Thus, Monaco, San Marino and the Vatican would use the euro, though without the right to issue their own money, which would have to be done by France and Italy, albeit with distinct local designs. As now, Monégasque francs and San Marino and Vatican lire would only be accepted in Monaco and Italy, respectively. The 15 European finance ministers are expected to confirm the proposal at a meeting Dec. 31.

So, will the Pope show up on the euro?

Joaquin Navarro Valls, the papal spokesman, said: "We will have to negotiate all the details of this new reality."

## Pecorino and Mont Blanc Pens on U.S. Hit List

New York Times Service

**WASHINGTON** — Louis Vuitton handbags are on the list. So is pecorino, a hard, sharp Italian cheese, "in original loaves, not suitable for grating." European-made cotton bed linens are subject to potentially huge tariffs, along with sweaters, pullovers, sweat shirts, waistcoats and similar articles, although only those made "wholly of cashmere."

These European goods are among those targeted in the U.S. threat Monday to impose 100 percent tariffs in response to Europe's refusal to open its market to

bananas shipped by two American companies — Dole Food Co. and Chiquita Brands International. European banana quotas currently favor growers in former European colonies, a policy that the World Trade Organization has ruled violates trading rules.

Perhaps mindful of not harming President Bill Clinton's job-approval ratings in the holiday season, the U.S. trade representative, Charlene Barshefsky, kept all wine off the list. But she included European-made bath salts, tapered candles and Mont Blanc pens, a step that one administration official said

would "hit them where it hurts."

One might think that amid impeachment, policymakers would give scant attention to the banana trade.

But White House aides, eager to show that the president was not consumed with his own troubles, offered reporters details of how Mr. Clinton jostled last week with Sir Leon Brittan, Europe's insistent trade minister.

Alluding to Sir Leon's accent, the president declared that "the only thing that makes this discussion almost tolerable is listening to you pronounce 'bon-nas.'"

## CURRENCY & INTEREST RATES

Closings in Amsterdam, London, Milan, Paris and Zurich. Sights in other centers New York and P.M. and Toronto rates of 2 P.M.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

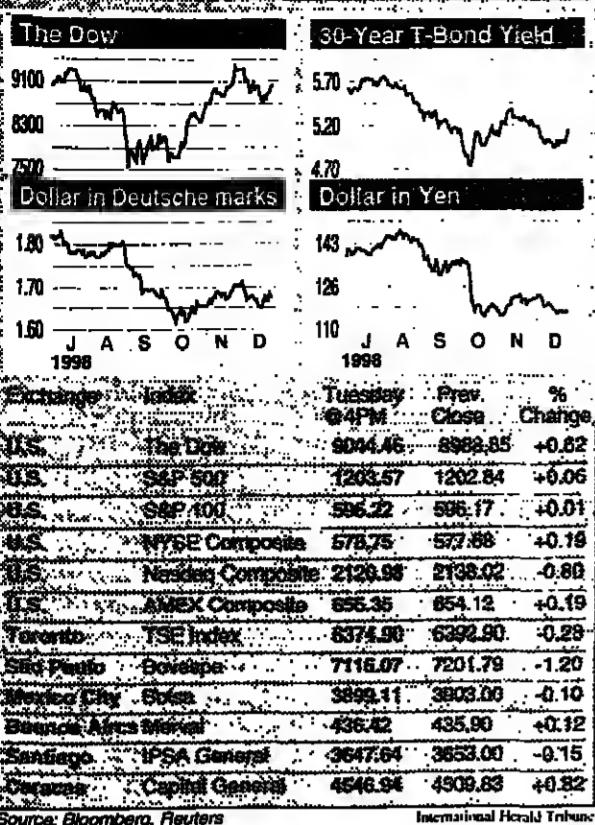
C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available.

C. to buy one pound; T. to buy one dollar. Units of 100 U.S. not round \$1.00; not available

## THE AMERICAS

## Investor's America



## Now It's Pessimism's Turn: Brazilian Stocks Take a Dive

By Diana Jean Schemo  
New York Times Service**RIO DE JANEIRO** — Just a month ago, markets here were rallying as the International Monetary Fund moved toward announcing a \$41 billion bailout for Brazil.

In a spate of optimism that some analysts said was excessive, Brazilian stocks rose 91 percent in a nine-week period through Nov. 27, and 22.5 percent in November alone.

There was no obvious cause for such enthusiasm, either in company performance or in the government's progress toward fiscal discipline.

This month stocks are bouncing wildly again, but mostly in the opposite direction. As of Friday, they had fallen 21.5 percent.

Although the benchmark Brazilian

stock index shot up 6.19 percent Monday, at least some of the buying was attributed to market gains elsewhere. On Tuesday, the index fell 8.62 points, or 1.2 percent, to close at 7,115.07.

The underlying sense in Brazil is that more irrational selling is in store. "I see it as unbridled pessimism, which has no foundation," said Rodrigo Faria, chief of equity research at Banco Itaú. "When the market was on the upside, people were not discounting negatives. Now the market is only discounting the negatives, and not taking positive developments into account."

Yet the urge to dump shares of Brazilian companies was not completely unwarranted, and some analysts consider it a correction of excessive confidence. Since the IMF

bailout was announced, there have been some signs that the Brazilian Congress may not be as quick, or as pliant, in accepting the economic belt-tightening proposals of President Fernando Henrique Cardoso's administration as investors had hoped.

Congress rejected a proposal to make retired civil servants pay into the pension system, and it went home for the holidays without approving the government's revised 1999 budget, or extending and increasing a special financial-transactions tax that officials are counting on to meet revenue targets promised to the IMF.

"It's a razor-edge situation," said Edmar Bacha, executive director of BBA Securities in New York. "Because the price is not as low as indicating default, nor as high as indicating that Brazil is over the hump,

Nikko Asset Fund here.

Brazil's dollar reserves, now \$49 billion after it received a first installment of nearly \$10 billion in IMF aid in recent days, are still in decline. As of the end of last week, \$2.64 billion had flowed from foreign reserves.

Investors will be watching for new appointments that Mr. Cardoso is expected to make Wednesday. He is expected to create some new jobs in his cabinet, including a civilian minister of defense and, later, a minister of production.

But the most important announcements this week will involve appointments to head the oil company Petrobras Brasileira SA; a savings institution, the Caixa Económica Federal; the Banco do Brasil; and the National Bank for Development.

## Stocks Mixed as Fed Keeps Rates Steady

Compiled by Our Staff Correspondents

**NEW YORK** — Stock prices were mixed Tuesday, taking little direction after the Federal Reserve Board, as expected, left interest rates unchanged.

Blue-chip stocks were generally higher, but many big technology shares fell as investors worried that lofty prices after the recent rally were not justified by the outlook for corporate profits.

At the close, the Dow Jones industrial average was up 55.61

points at 9,044.46. The Standard &amp; Poor's 500 index was up 0.73 point at 1,203.57, but the Nasdaq composite index, in which technology stocks are concentrated, was down 17.04 at 2,120.99. Declining issues outnumbered advancing ones by a ratio of about 3 to 2 on the New York Stock Exchange.

There was little reaction when Fed officials concluded their last meeting of the year on monetary policy without changing interest rates. The central bank had already helped stabilize world financial markets with three rate cuts this autumn.

"There are enough positive things right now that they don't feel they have to do anything else," said Michael Weiner, managing director at Banc One Investment Advisors. Such optimism was reflected in

the price gains for blue chips such as Merck, Procter &amp; Gamble and Coca-Cola, whose shares had slumped recently on concern that profits would fall short of expectations. Coke rose 1 7/16 to 67 1/4, Merck gained 4 to 148 1/16 and Procter &amp; Gamble climbed 2 1/2 to 90 9/16.

But the favorable earnings expectations did not extend to big computer-related companies, which were hit by heavy selling. Intel, the biggest computer-chip maker, fell 3 9/16 to 119 9/16 and Microsoft, the No. 1 software company, lost 3 to 138 7/16. Sun Microsystems fell 3 to 383 3/16.

Companies involved in Internet commerce fared better. Ameritrade Holding, an electronic brokerage firm, soared 10 1/2 to 31 1/2 after it said its customers were trading more than expected, lifting revenue and earnings.

Ubisoft surged, rising 50 1/4 to 134 1/4, on investors' enthusiasm that the on-line auctioneer could follow the extraordinary success of a rival, eBay. Creative Computers, which owns about 80 percent of Ubisoft, rose 11 35/64 to 46 45/64.

Treasury bond prices fell sharply, driving up yields, as a plunge in Japanese bond prices sent global interest rates higher. The price of the benchmark 30-year U.S. Treasury fell 1 9/32 points to 101 18/32, lifting the yield to 5.15 percent from 5.06 percent. (AP, Bloomberg)

## BellSouth Loses Court Challenge

Bloomberg News

**WASHINGTON** — BellSouth Corp. on Tuesday lost a court challenge to a U.S. law that so far has blocked the Baby Bell telephone companies from entering the long-distance phone business.

A U.S. appeals court rejected BellSouth's constitutional challenge to the 1996 Telecommunications Act and upheld the Federal Communications Commission's refusal to let the Atlanta-based regional phone company enter the long-distance market in South Carolina.

BellSouth argued that the law was unconstitutional because it unfairly restricted the Baby Bells from entering the long-distance market.

The ruling is the latest legal defeat for the Baby Bells, which have been unable to convince the commission that they are living up to the market-opening requirements of the law.

The cost of financing is going up across the board," said Bob

**emberg**, the president of the European Central Bank, tried to end speculation that the bank would cut interest rates soon for the 11 nations adopting the euro, the new single currency.

The dollar rose to 1.6720 DM from 1.6711 on Monday.

The dollar strengthened against the European currency unit, pushing it down to \$1.1711 from \$1.1795 Monday. The Euro will be traded equally for the euro, the new single currency, in January.

The U.S. currency appeared to be largely unaffected by the Federal Reserve Board's decision to leave the benchmark U.S. interest rate unchanged at 4.75 percent, as expected.

Against other currencies, the dollar rose to 5.6059 French francs from 5.6025 francs and to 1.3636 Swiss francs from 1.3587 francs.

The pound fell to \$1.6800 from \$1.6831.

## ACE in Talks to Buy Cigna Insurance Units

Bloomberg News

**PHILADELPHIA** — ACE Ltd. said Tuesday that it was in talks for the purchase of the property and casualty insurance businesses of Cigna Corp., one of the largest U.S. providers of corporate benefits, for more than \$3 billion.

ACE and Cigna agreed to exclude negotiations on a sale through Dec. 27, although other insurers

were also interested in buying the units, people familiar with the situation said. The companies said there was no assurance of an agreement.

ACE, which sells excess-liability insurance to corporate clients, has been seeking ways to expand a U.S. property-casualty insurance unit, ACE USA, that it launched early this year. Cigna, the third-largest U.S. health insurer, is focusing on

providing managed health plans and other benefits to companies.

"This would be a unique opportunity for ACE to acquire one of the premier global property and casualty franchises," said Brian Duperreault, the ACE chairman, president and chief executive.

The companies said the final purchase price could be "well in excess" of \$3 billion.

## U. S. STOCK MARKET DIARY

## Indexes

## Most Actives

## INTERNATIONAL FUTURES

## Dec. 22, 1998

## High Low Latest Close Open

## High Low Latest Close Open

## NYSE

## High Low Latest Close Open

## High Low Latest Close Open

## Nasdaq

## High Low Latest Close Open

## High Low Latest Close Open

## NASDAQ

## High Low Latest Close Open

## High Low Latest Close Open

## AMEX

## High Low Latest Close Open

## High Low Latest Close Open

## Trading Activity

## High Low Latest Close Open

## High Low Latest Close Open

## NYSE

## High Low Latest Close Open

## High Low Latest Close Open

## Nasdaq

## High Low Latest Close Open

## High Low Latest Close Open

## AMEX

## High Low Latest Close Open

## High Low Latest Close Open

## Dividends

## High Low Latest Close Open

## High Low Latest Close Open

## Company

## High Low Latest Close Open

## High Low Latest Close Open

## IRREGULAR

## High Low Latest Close Open

## High Low Latest Close Open

## Am. Bhd. Fd

## High Low Latest Close Open

## High Low Latest Close Open

## Century Shs Tr

## High Low Latest Close Open

## High Low Latest Close Open

## Cokeltd Int'l H

## High Low Latest Close Open

## High Low Latest Close Open

## Foreign Cstntr

## High Low Latest Close Open

## High Low Latest Close Open

## Fund Lm

## High Low Latest Close Open

## High Low Latest Close Open

## Globe Ind

## High Low Latest Close Open

## High Low Latest Close Open

## Hercules

## High Low Latest Close Open

## High Low Latest Close Open

## Int'l Bhd

## High Low Latest Close Open

## High Low Latest Close Open

## Jefco

## High Low Latest Close Open

## High Low Latest Close Open

## Kodak

## High Low Latest Close Open

## High Low Latest Close Open

## Leveraged

## High Low Latest Close Open

## High Low Latest Close Open

## Mitsubishi

## High Low Latest Close Open

## High Low Latest Close Open

## Nestle

## High Low Latest Close Open

## High Low Latest Close Open

## Nordic

## High Low Latest Close Open

## High Low Latest Close Open

## Oncor

## High Low Latest Close Open

## High Low Latest Close Open

## Pfizer

## High Low Latest Close Open

## High Low Latest Close Open

## Rite Aid

## High Low Latest Close Open

## High Low Latest Close Open

## Safeway

## High Low Latest Close Open

## High Low Latest Close Open

## Sprint

## EUROPE

**Ladbroke to Sell Coral Units to Deutsche Bank**

Compiled by Our Staff From Dispatches

**LONDON** — The hotel and gaming company Ladbroke Group PLC agreed Tuesday to sell the British operations of its "Coral" betting-agency chain, to a venture-capital unit of Deutsche Bank AG for £390 million (\$656.4 million).

Ladbroke agreed to sell the 827-strong Coral chain to a company backed by Morgan Grenfell Private Equity Ltd., the London-based venture-capital division of Deutsche Morgan Grenfell, basing a bid from a rival venture fund, Cinven Ltd.

Ladbroke, the largest British betting agency, with about 1,900 outlets, said it was satisfied with the price.

Nonetheless, the sale marks a less-than-satisfactory outcome to its involvement with Coral, which Ladbroke purchased from Bass PLC in December 1997 for £362.7 million.

**EU Approves British Aid for Channel Link**

Bloomberg News

**BRUSSELS** — The European Commission on Tuesday approved British government financial support for a high-speed rail link from London to the Channel Tunnel, citing the project as one of 14 priorities for linking European cities.

The project "fulfills the conditions of permissible state aid," said the commission. The financing is a mix of bond guarantees, tax breaks and subsidized access charges.

The ruling paves the way for HSBC Markets and Warburg Dillon Read to manage the first part of the sale of up to £2.65 billion (\$4.45 billion) of Eurobonds by London & Continental Railways Ltd., the company that will manage the rail link.

The guarantee by the British government, which has top credit ratings from Moody's Investors Service and Standard & Poor's Corp., will help lower finance costs. The bonds will likely be sold in January, the government has said.

The rail line will allow trains to travel at 300 kilometers per hour (185 miles per hour), the speed they can already reach on the polder between the tunnel and Paris.

Trade Secretary Peter Mandelson in September ordered Ladbroke to divest itself of the Coral chain, the third-largest in Britain, within six months, saying the acquisition would harm competition in the betting industry.

The contest for Coral came down to two players Friday after Ladbroke rejected a £375 million bid from Tote, a state-owned betting concern.

"While we would have liked to have kept Coral, the excellent price that we have achieved underlines the long-term potential of the off-course betting industry, in which we remain the largest operator," said the chief executive of Ladbroke, Peter George.

Analysts agreed that Ladbroke had received a favorable price.

"There was some concern there would be a fire-sale, but they made a useful profit," said Job Curtis, a

director at Henderson Investors in London.

While Ladbroke's failed takeover of Coral has yielded a financial gain, it has thwarted the company's expansion plans.

The sale includes 827 betting shops, credit and telephone-betting activities and two greyhound racing tracks. It does not include 50 betting agencies in Ireland and eight on the island of Jersey, as well as a 5 percent stake in Satellite Information Services (Holdings) Ltd., a satellite horse-racing broadcaster.

The 58 agencies not included in the sale are to be rebranded as Ladbroke outlets. The group said its Satellite Information Services holding is being discussed with the Office of Fair Trading.

Ladbroke will use the proceeds of the sale to pay down debt and to develop its core hotel and gaming

activities. The transaction is subject to approval from European Union competition authorities and is expected to close in February.

"Ladbroke has done a good deal and the market should be pleased that this is behind it," said Ben Britz, an analyst at Morgan Stanley Dean Witter. The shares of Ladbroke rose 1.3 pence to 237 pence.

Coral reported profit before interest and tax of around £40 million in the year of Ladbroke ownership.

In addition to its activities in Britain, Ladbroke has gaming operations in the Americas and the Middle East.

The group also owns exclusive rights to the Hilton Hotel brand outside the United States, and its Hilton International Co. unit operates more than 160 hotels in 50 nations.

(Bridge News, Reuters, Bloomberg)

**Jobless Rate In Italy Hits 6-Year High**

Compiled by Our Staff From Dispatches

**ROME** — The jobless rate in Italy climbed to a six-year peak in October, with a yawning north-south gap, the government said Tuesday.

Nationwide, unemployment rose to 12.6 percent from 11.9 in July and 12.4 percent in October 1997, according to figures, which are reported quarterly. On a seasonally adjusted basis, however, the October rate was unchanged from July at 12.4 percent.

Italy has the highest jobless rate of the Group of Seven industrialized countries and second-highest after Spain among the 11 countries that are adopting the euro. The European single currency, on Jan. 1.

The problem is concentrated in the economically weak south of Italy. While 7.6 percent of the work force in central and northern Italy was jobless in October, on an unadjusted basis, the rate was more than three times as high in the south, at 23.2 percent.

The government blamed deteriorating conditions in the agricultural sector for the increase in joblessness in the south: the October rate compared with 22.5 percent unemployment in the south in July, when the center-north had a jobless rate of 6.9 percent.

All except Italy cut their benchmark rates to 3 percent on Dec. 3; Italy cut its rate to 3.5 percent. The central bank called the move a "de facto" establishment of the Jan. 1 rate for the euro. The bank said it intended to maintain that rate "for the foreseeable future."

(Bloomberg, AFP)

**Benchmark Rate of 3% Set for Euro Zone**

Compiled by Our Staff From Dispatches

**FRANKFURT** — The European Central Bank, in its last meeting before the introduction of the single European currency on Jan. 1, confirmed Tuesday that it would set an initial benchmark interest rate of 3 percent for the euro zone.

Wim Duisenberg, president of the bank, which will manage monetary policy for the 11 countries adopting the euro, said there would be no further easing in interest rates in the euro zone for the foreseeable future. Three percent is the current benchmark rate in 10 of the 11 countries.

But some analysts said that the

bank could cut rates, noting that it set its least expensive bank lending rate, the deposit rate, at 2 percent, less than the 2.5 percent for the comparable rate in Germany.

"A semi-rate cut adds to rate-cut hopes," said Holger Schmidinger, an economist at Merrill Lynch.

To limit market fluctuations amid expected heavy trading at the currency's debut, the bank set a narrow range for all its rates for the first weeks. The bank set a ceiling of the emergency borrowing rate, its most expensive rate, of 3.25 percent and a floor on the deposit rate of 2.75 percent through Jan. 21. After that,

the emergency rate may rise to 4.5 percent and the deposit rate fall to 2 percent, the bank said.

The countries starting the single currency are Germany, France, Italy, Spain, Portugal, the Netherlands, Belgium, Finland, Luxembourg, Ireland and Austria.

All except Italy cut their benchmark rates to 3 percent on Dec. 3; Italy cut its rate to 3.5 percent. The central bank called the move a "de facto" establishment of the Jan. 1 rate for the euro. The bank said it intended to maintain that rate "for the foreseeable future."

(Bloomberg, AFP)

**Russia to Get \$400 Million World Bank Loan**

Bloomberg News

**WASHINGTON** — The World Bank approved a \$400 million loan for Russia on Tuesday, the country's first big infusion of funds since August, when the government defaulted on debt payments and allowed the currency to plunge.

The money, which the government will use to rehabilitate roads and bridges and to set up a road-tax system, could be a sign of increased willingness by international lenders to help Russia bring its economy

back from bankruptcy.

"We intend to stay engaged in Russia," said Johannes Linn, a World Bank vice president. "We are still very hopeful" the bank can resume other loans soon.

The August default prompted the World Bank, the International Monetary Fund and others to cut off a \$22.6 billion aid package they had approved only weeks earlier. Russia's action shook financial markets as far away as Brazil, which itself was forced to seek an IMF-led bail-

out almost twice as large.

In another positive sign for the Russian economy, the government said Tuesday that industrial output declined at a slower annual pace in November than in the previous month, as manufacturers resumed operations they stopped in September, when the banking system teetered on the brink of collapse.

Industrial output declined 5 percent in November from November 1997, compared with a 10.5 percent year-on-year decline in October.

"Clearly the picture is not a rosy one," said Ilaria Formari, an economist at J.P. Morgan in Milan. "Until we see more flexibility in the labor market, I doubt that even with any pick-up in growth there will be a big turnaround in unemployment."

Membership in the single currency, analysts said, will end Italy's ability to support its export industry through currency devaluations. Industrial output declined 5 percent in November from November 1997, compared with a 10.5 percent year-on-year decline in October.

(Reuters, Bloomberg)

**WORLD STOCK MARKETS**

Tuesday, Dec. 22:

Daily prices in local currencies.

Telefers

High Low Close Prev.

Amsterdam AEX Index 1113.26

Previous: 1102.54

Frankfurt DAX 4025.82

Previous: 4017.93

Johannesburg All Share 1102.24

Previous: 1101.73

London FTSE 100 3874.39

Previous: 3874.39

Milan MIB 100 1102.24

Previous: 1102.24

Paris CAC 40 3874.39

Previous: 3874.39

Stockholm OMX 100 1102.24

Previous: 1102.24

Tokyo Nikkei 225 1102.24

Previous: 1102.24

Athens Composite Index 1102.48

Previous: 1102.48

Bangkok SET 1102.48

Previous: 1102.48

Helsinki Helsinki 1102.48

Previous: 1102.48

Hong Kong Hang Seng 1102.48

Previous: 1102.48

London FTSE 100 1102.48

Previous: 1102.48

Milan MIB 100 1102.48

Previous: 1102.48

Paris CAC 40 3874.39

Previous: 3874.39

Stockholm OMX 100 1102.48

Previous: 1102.48

Tokyo Nikkei 225 1102.48

Previous: 1102.48

Brussels BEL 20 1102.48

Previous: 1102.48

BombaySensex 1102.48

Previous: 1102.48

London FTSE 100 1102.48

Previous: 1102.48

Milan MIB 100 1102.48

Previous: 1102.48

Paris CAC 40 3874.39

Previous: 3874.39

Stockholm OMX 100 1102.48

Previous: 1102.48

Tokyo Nikkei 225 1102.48

Previous: 1102.48

Buenos Aires Merval Index 1102.48

Previous: 1102.48

Copenhagen Borsen 1102.48

Previous: 1102.48

Istanbul Istanbul 1102.48

Previous: 1102.48

Corkshire 8 1102.48

Previous: 1102.48

Denmark 1102.48

Previous: 1102.48

High Low Close Prev.

Amsterdam AEX Index 1113.26

Previous: 1102.54

Frankfurt DAX 4025.82

Previous: 4017.93

Johannesburg All Share 1102.24

Previous: 1101.73

London FTSE 100 3874.39

Previous: 3874.39

Milan MIB 100 1102.24

Previous: 1102.24

Paris CAC 40 3874.39

Previous: 3874.39

Stockholm OMX 100 1102.24

Previous: 1102.24

Tokyo Nikkei 225 1102.24

Previous: 1102.24

High Low Close Prev.

Amsterdam AEX Index 1113.26

Previous: 1102.54

Frankfurt DAX 4025.82

Previous: 4017.93

Johannesburg All Share 1102.24

Previous: 1101.73



مكتبة الأصل

## ASIA/PACIFIC

**Asians Fear Clinton Crisis May Affect Trade**By Michael Richardson  
*International Herald Tribune*

**SINGAPORE** — Asian countries fear the increasingly partisan politics in the United States that led to the impeachment of Bill Clinton will weaken American influence in Asia and unleash protectionist sentiment among lawmakers in Washington.

American protectionism could curb access to the region's key export market just when it is most needed, officials and analysts say.

"We need constancy in American leadership on both the security and trade fronts," a Japanese diplomat said. "This is a very critical time for the region."

Many Asian and Pacific nations that are allies of the United States or have close ties to the leading economic and military power are looking to continued American strategic engagement in the region and the maintenance of an open U.S. market for their goods. These, they feel, would stabilize a potentially volatile area during a period of recession and financial crisis.

Instead, they foresee a deeply divided executive branch in Washington fighting for the political survival of the president against a Republican-dominated Congress that, they believe, seems likely to exploit the weakness of the administration by raising barriers to cheap Asian imports.

That trade is helping Asian economies to survive, but hurting U.S. manufacturers and their workers. The Straits Times of Singapore said Tuesday that the impeachment of the U.S. president would make it more difficult for proponents of the American Way to spread their message across the globe.

"What stands revealed is the hand of bloody-minded adversarial

politics, which divides a nation within and paralyzes its workings abroad just when its leadership of the world is most needed," the newspaper said.

Even before the impeachment decision Saturday, senior U.S. officials were warning that huge trade deficits with East Asia could become flash points between the major Pacific trading partners and goad Congress into raising barriers to Asian imports.

"If we have a weak administration, protectionists in Congress can more easily turn on the pressure," said Jusuf Wanandi, chairman of the board of the Center for Strategic and International Studies in Indonesia.

"This is a big danger for East Asia just when there are tentative signs of recovery in several countries. Growth in the region needs a bigger push, and that can only come if the U.S. keeps its markets open."

Asian officials said they were concerned that if U.S. lawmakers imposed retaliatory trade measures, this could provoke China into open hostility toward the American mil-

itary presence in the region and strain the U.S. security alliance with Japan, China and several other countries in the region, among them Malaysia, have been calling for diminished U.S. influence.

China, the fastest-growing major economy in the world, has the most lopsided trading relationship with the United States, according to American officials.

The Chinese surplus is expected to top \$60 billion in 1998, surpassing the U.S. imbalance with Japan, which has long borne the brunt of American criticism — and the brunt — over trade.

Asian governments have made no official comment on the impeachment of Mr. Clinton. But analysts said that Japan, South Korea and other Asian countries close to the United States were worried that veto politics would prolong the trial in the Senate for weeks if not months, further damaging U.S. prestige and undermining its ability to defuse potential trouble spots.

Such areas include the Korean peninsula, where North Korea is suspected of pressing ahead with nuclear and missile programs, the standoff between China and Taiwan, and the rival claims of China, Taiwan and four Southeast Asian nations to the Spratly Islands in the South China Sea.

The stage is set for the world's leading power to be distracted through much of next year by the politically convulsive process of impeachment and the disturbing allegations and evidence which will undoubtedly be aired, the Australian Financial Review said.

"This weakening of an already damaged presidency will compromise desperately needed American leadership on a range of crucial issues," it said.

Pran Chopra, an Indian political analyst, said American influence all over Asia had been hurt. "It is a decline of Clinton's prestige," he told Reuters, "and with that goes the prestige of the U.S."

Shinichi Ichikawa, a strategist at Credit Lyonnais Securities, said, "The biggest worry is that we can't foresee when the trial will finish."

**Creditors Reject PAL's Plan***Compiled by Our Staff From Dispatches*

**MANILA** — Philippine Airlines Inc.'s European creditors rejected Tuesday a rehabilitation plan proposed by the country's debt-strapped flag-carrier, casting new doubt on whether it can survive.

The creditors control leases on 12 Airbus jets, which consume more than half of the 22 planes PAL would continue flying under its survival plan.

Credit Agricole Indosuez, which represents the creditors, said the airline's recovery plan failed to include the entry of a new partner, or \$200 million in new capital — both of

which, creditors say, are critical for the airline's recovery.

"The presence of a strategic partner is of paramount importance for a viable rehabilitation of PAL," Credit Agricole told the Philippines' Securities and Exchange Commission. "It would not be possible for lessons to support the rehabilitation plan as currently drafted."

PAL has held talks separately with Cathay Pacific Airways Ltd. and Northwest Airlines Corp. on forging a strategic partnership. But both sets of talks broke down this month. (Bloomberg, Reuters)

**Li Ka-shing's Son To Take the Reins***Bloomberg News*

**HONG KONG** — Li Ka-shing, the Hong Kong billionaire, will hand over day-to-day control of his businesses to his eldest son, Victor Li, on Jan. 1. Cheung Kong (Holdings) Ltd. said Tuesday.

Mr. Li's empire includes the conglomerate Hutchison Whampoa Ltd., Hong Kong's second-largest company. Cheung Kong controls Hutchison,

**Seoul Sells Bad Loans To U.S. Fund***Bloomberg News*

**SEOUL** — South Korea stepped ahead of its Asian neighbors Tuesday in finding foreigners to buy bad loans, selling a controlling interest in a \$470 million portfolio of debt and foreclosed property offered at auction to a U.S. fund.

Korea Asset Management Corp., a government agency known as Kamco, said it had sold control of the portfolio for 141 billion won (\$11.8 million) — about 35.6 percent of face value — to Lone Star Fund LP, a Texas-based investment partnership.

The sale, coming at a better-than-expected price and about a week after a similar auction in Thailand flopped, is good news for South Korean banks and could help other countries hit by the Asian financial crisis sell off billions of dollars of bad loans, bankers said.

The fact that it was done shows that someone is willing to take the plunge, that a foreign investor is willing to bet on the revival of the Korean economy, said Dai Chang Song, an assistant general manager at Korea First Bank in Seoul.

The portfolio had been expected to bring 30 percent of face value. Lone Star, which was advised by Merrill Lynch & Co., beat our two other bids, Goldman, Sachs & Co. was paired with General Electric Capital Corp. and Bankers Trust Co. bid with J. Roberts, a New York-based real estate firm.

The fund is buying a 70 percent stake in a portfolio of bad loans that are secured on 1,500 individual residential, commercial and other properties. Kamco will own the other 30 percent.

**Investor's Asia**

	Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225
11:00	1550	1550	1550
10:00	1550	1550	1550
9:00	1550	1550	1550
8:00	1550	1550	1550
7:00	1550	1550	1550
6:00	1550	1550	1550
JASOND 1998	1550	1550	1550
JASOND 1998	1550	1550	1550
JASOND 1998	1550	1550	1550
Exchange	Index	Tuesday Close	Close Change
Hong Kong	Hang Seng	10,322.66	+10,396.01 -0.71
Singapore	Straits Times	1,412.40	+1,397.73 +1.05
Sydney	All Ordinaries	2,759.80	+2,788.00 +0.60
Tokyo	Nikkei 225	13,779.45	+14,152.95 -2.64
Kuala Lumpur Composite	537.22	550.84	-2.47
Bangkok SET	343.34	337.17	+1.83
Seoul Composite Index	547.75	565.27	+3.10
Taipei Stock Market Index	6,782.68	6,558.28	+3.42
Manila PSE	1,893.66	1,873.15	+1.09
Jakarta Composite Index	406.47	404.50	+0.49
Wellington NZSE-40	2,085.38	2,062.00	+1.13
Bombay Sensitive Index	2,976.58	2,973.37	+0.11

*Source: Telkoms**Information in H, L, and T columns***Very briefly:**

• Hong Koog retail sales dropped 20 percent in October from a year earlier, the 12th straight monthly decline. Sales were estimated at 15.8 billion Hong Kong dollars (\$2.04 billion), up from 15.3 billion dollars estimated for September.

• The Philippines' unemployment rate rose to 9.6 percent in October from 7.9 percent a year before, as jobs were cut in manufacturing and construction. The rate is not seasonally adjusted and varies widely at different times of the year. Separately, the government predicted economic growth of 3.0 percent to 3.5 percent in 1999, after estimated growth of 0.5 to 1.0 percent this year.

• India's Parliament introduced a plan to allow companies to buy back as much as 25 percent of their shares.

• The United States has expressed concern that Japan's decision to impose tariffs on rice imports could spark friction. U.S. officials are still assessing the Japanese move.

*AFP, Bloomberg, RNS***Advertisement**

For information please contact:

Katy Hour, Fax (33-1-41 43 92 12 or e-mail: funds@ht.com

MANAGEMENT FUND

MANAGEMENT F

NYSE

**Tuesday's 4 P.M. Close**  
The 2,600 most traded stocks of the day.  
Nationwide prices not reflecting late trades elsewhere.

Tuesday's 4 P.M. Close	The 2,600 most traded stocks of the day. Nationwide prices not reflecting late trades elsewhere. The Associated Press																				
12 Month High Low Stock	Div Yld PE 100% High Low/Lated Chg			Div Yld PE 100% High Low/Lated Chg			Div Yld PE 100% High Low/Lated Chg			Div Yld PE 100% High Low/Lated Chg			Div Yld PE 100% High Low/Lated Chg			Div Yld PE 100% High Low/Lated Chg					
A-B-C																					
2245 174 ACP	.34	14	17	392	24%	23	24%	-1		2645 149 ComFlts	.15	342	127%	19%	16%	-1%	5645 239 FedExDC	.16	1211645	38%	37%
345 25 ABM	.21	13	23	325	22%	21	21	-1		2654 275 ComFlts	.08	15	120	22%	22%	-1%	2445 149 HouseX	.50	66	222191	38%
2745 149 ABM	.49	10	10	395	20%	20	20	-1		2663 161 ComFlts	.18	10	122	22%	22%	-1%	2454 149 Household	.52	52	2911	38%
43 249 ACO	Lds	13	10	16517	28%	28	28	-1		2672 111 ComFlts	.50	31	110	22%	22%	-1%	2464 149 HuntEx	.50	52	1803	38%
1116 75 ACM	.00	62	62	1926	9%	9	9	-1		2681 121 ComFlts	.50	19	120	22%	22%	-1%	2474 149 HuntCorp	.19	18	1813	38%
774 75 ACM	.24	10	10	2719	8%	8	8	-1		2690 131 ComFlts	.50	19	120	22%	22%	-1%	2484 149 Huntex	.50	52	225	38%
1094 77 ACM	.53	10	10	1258	8%	8	8	-1		2709 141 ComFlts	.50	19	120	22%	22%	-1%	2494 149 Huntex	.50	52	174	38%
1594 149 ACM	.87	61	61	125	14%	14	14	-1		2718 151 ComFlts	.50	19	120	22%	22%	-1%	2504 149 Huntex	.50	52	174	38%
2645 149 ACM	.78	61	61	31	22	22%	22%	-1		2727 161 ComFlts	.50	19	120	22%	22%	-1%	2514 149 Huntex	.50	52	174	38%
58 23 AFB										2736 171 ComFlts	.50	19	120	22%	22%	-1%	2524 149 Huntex	.50	52	174	38%
854 45 AFB	.26	42	42	955	6%	6	6	-1		2745 181 ComFlts	.50	19	120	22%	22%	-1%	2534 149 Huntex	.50	52	174	38%
572 21 AFB	.43	26	26	3053	22%	22	22	-1		2754 191 ComFlts	.50	19	120	22%	22%	-1%	2544 149 Huntex	.50	52	174	38%
2734 149 AFB	.50	26	26	3053	22%	22	22	-1		2763 201 ComFlts	.50	19	120	22%	22%	-1%	2554 149 Huntex	.50	52	174	38%
2744 149 AFB	.50	26	26	3053	22%	22	22	-1		2772 211 ComFlts	.50	19	120	22%	22%	-1%	2564 149 Huntex	.50	52	174	38%
1144 45 AFB	.50	26	26	3053	22%	22	22	-1		2781 221 ComFlts	.50	19	120	22%	22%	-1%	2574 149 Huntex	.50	52	174	38%
124 45 AFB	.50	26	26	3053	22%	22	22	-1		2790 231 ComFlts	.50	19	120	22%	22%	-1%	2584 149 Huntex	.50	52	174	38%
1344 149 AFB	.50	26	26	3053	22%	22	22	-1		2809 241 ComFlts	.50	19	120	22%	22%	-1%	2594 149 Huntex	.50	52	174	38%
1454 149 AFB	.50	26	26	3053	22%	22	22	-1		2818 251 ComFlts	.50	19	120	22%	22%	-1%	2604 149 Huntex	.50	52	174	38%
1564 149 AFB	.50	26	26	3053	22%	22	22	-1		2827 261 ComFlts	.50	19	120	22%	22%	-1%	2614 149 Huntex	.50	52	174	38%
1674 149 AFB	.50	26	26	3053	22%	22	22	-1		2836 271 ComFlts	.50	19	120	22%	22%	-1%	2624 149 Huntex	.50	52	174	38%
1784 149 AFB	.50	26	26	3053	22%	22	22	-1		2845 281 ComFlts	.50	19	120	22%	22%	-1%	2634 149 Huntex	.50	52	174	38%
1894 149 AFB	.50	26	26	3053	22%	22	22	-1		2854 291 ComFlts	.50	19	120	22%	22%	-1%	2644 149 Huntex	.50	52	174	38%
1904 149 AFB	.50	26	26	3053	22%	22	22	-1		2863 301 ComFlts	.50	19	120	22%	22%	-1%	2654 149 Huntex	.50	52	174	38%
2014 149 AFB	.50	26	26	3053	22%	22	22	-1		2872 311 ComFlts	.50	19	120	22%	22%	-1%	2664 149 Huntex	.50	52	174	38%
2124 149 AFB	.50	26	26	3053	22%	22	22	-1		2881 321 ComFlts	.50	19	120	22%	22%	-1%	2674 149 Huntex	.50	52	174	38%
2234 149 AFB	.50	26	26	3053	22%	22	22	-1		2890 331 ComFlts	.50	19	120	22%	22%	-1%	2684 149 Huntex	.50	52	174	38%
2344 149 AFB	.50	26	26	3053	22%	22	22	-1		2909 341 ComFlts	.50	19	120	22%	22%	-1%	2694 149 Huntex	.50	52	174	38%
2454 149 AFB	.50	26	26	3053	22%	22	22	-1		2918 351 ComFlts	.50	19	120	22%	22%	-1%	2704 149 Huntex	.50	52	174	38%
2564 149 AFB	.50	26	26	3053	22%	22	22	-1		2927 361 ComFlts	.50	19	120	22%	22%	-1%	2714 149 Huntex	.50	52	174	38%
2674 149 AFB	.50	26	26	3053	22%	22	22	-1		2936 371 ComFlts	.50	19	120	22%	22%	-1%	2724 149 Huntex	.50	52	174	38%
2784 149 AFB	.50	26	26	3053	22%	22	22	-1		2945 381 ComFlts	.50	19	120	22%	22%	-1%	2734 149 Huntex	.50	52	174	38%
2894 149 AFB	.50	26	26	3053	22%	22	22	-1		2954 391 ComFlts	.50	19	120	22%	22%	-1%	2744 149 Huntex	.50	52	174	38%
2904 149 AFB	.50	26	26	3053	22%	22	22	-1		2963 401 ComFlts	.50	19	120	22%	22%	-1%	2754 149 Huntex	.50	52	174	38%
3014 149 AFB	.50	26	26	3053	22%	22	22	-1		2972 411 ComFlts	.50	19	120	22%	22%	-1%	2764 149 Huntex	.50	52	174	38%
3124 149 AFB	.50	26	26	3053	22%	22	22	-1		2981 421 ComFlts	.50	19	120	22%	22%	-1%	2774 149 Huntex	.50	52	174	38%
3234 149 AFB	.50	26	26	3053	22%	22	22	-1		2990 431 ComFlts	.50	19	120	22%	22%	-1%	2784 149 Huntex	.50	52	174	38%
3344 149 AFB	.50	26	26	3053	22%	22	22	-1		3009 441 ComFlts	.50	19	120	22%	22%	-1%	2794 149 Huntex	.50	52	174	38%
3454 149 AFB	.50	26	26	3053	22%	22	22	-1		3018 451 ComFlts	.50	19	120	22%	22%	-1%	2804 149 Huntex	.50	52	174	38%
3564 149 AFB	.50																				

**Continued on Page 17**



# Herald International Tribune SPORTS

WEDNESDAY, DECEMBER 23, 1998

## WORLD ROUNDUP

## Zidane's Debt to a Child Worker

### Ex-Senator to Head Olympic Inquiry

**OLYMPICS** The U.S. Olympic Committee, picked George Mitchell, the former Senate majority leader, on Tuesday to head its investigation of bribery allegations in Salt Lake's successful bid for the 2002 Winter Games.

Mitchell, who is under consideration to help President Bill Clinton's defense against impeachment in the Senate, will head a five-member panel. He said he expected to report to the USOC by the end of February. (AP)

### A Croatian Double Fault

**TENNIS** Srdjan Ivanisevic, the father of Goran Ivanisevic, the Croatian star, and Smail Rizvanbegovic, head of the Croatian tennis federation, sued each other, and both lost.

A Zagreb court on Monday sentenced both men to 30 days in prison or one year suspended. Croatian newspapers reported Tuesday, the two had been feuding over the way Croatian tennis is run.

The two men insulted each other in interviews and subsequently sued each other for slander.

Rizvanbegovic sued Ivanisevic for accusing him of "buying" his position with someone else's money and not being a true Croat.

Ivanisevic sued Rizvanbegovic over the accusation that Ivanisevic formed a pro-Yugoslav party. (AP)

### Reeves Stable in Hospital

**FOOTBALL** Dan Reeves, the Atlanta Falcon coach, was in stable condition Monday after returning to a hospital following complications after heart surgery. Reeves had hoped to coach in the playoffs.

• Jake Plummer, a second-year quarterback, signed a \$29.7 million, four-year contract extension with the Arizona Cardinals. (AP)

*International Herald Tribune*  
**LONDON** — This is a letter to Tahira Bibi, a child who stitches soccer balls in the Punjab:

Dear Tahira,  
You may not remember my visit just before the soccer World Cup of last summer, but I do.

It's an old cliché, but I doubt I can ever forget you. Your solemn face, your swollen stitching fingers, your apparent serenity as hour by relentless hour you worked to make soccer balls that, in another place, another world, help make millionaires.

When we spoke, or rather when your mother, Haleema, spoke because you didn't want to drop a stitch, you had no notion of who Ronaldo, Zinedine Zidane or Michael Owen might be. They are men of a different world — it might seem a different planet — to you.

Though it is my job, my luck, to travel the continents, I approach Christmas still disturbed, still trying to understand how something that starts from nothing at your small hands can give you barely enough to subsist upon, while compelling others far above all of us.

In your composure as you labored beneath the shade of your front door, in your timeless working rhythm, I saw you — an 11-year-old — as the appallingly underpaid creator of the tool of, say, Zidane's finest achievement.

Since you don't read or write, and you have neither time nor access to television, let me draw a picture of who and what Zidane is. He is a Frenchman, though having been born the son of an Algerian janitor and raised in a tough Marseille district he spent his youth entirely accepted as true blue.

He had little in childhood, but he was granted something denied you — the precious gift of time and space to play. His playground was the street, his liberator from boredom as a child and possibly drudgery as an adult was the fact that he could make a ball — your ball perhaps, or one made by somebody like you — dance.

And you know what? This play, bordering on genius, has made Zidane everyone's player of 1998.

There is not a price France can put on the two goals he scored with his head to win the final against Brazil at Stade de

France. There is no way of over-dramatizing the scenes along the Champs Elysees and up and down the length and breadth of France that this slight and slightly balding man caused among the people who were now all his admirers.

As harsh as your existence is, you might never have come across a racist. Well, a man called Jean-Marie Le Pen who leads the National Front in France is one. Two years ago, he lamented the "coloreds" on the French national team. He dismissed them as immigrants, as mercenaries, and, I'm sad to say, he arouses a considerable following.

Anyway, Zidane did so well in the summer that everyone who runs a poll of the outstanding player of the year put him top. So it's not clever of me to tell you about him, except that Zinedine Zidane and Tahira Bibi have something in common.

**Y**OU BOTH started life at the bottom of the pile. He rose because of his talent, and first Cannes, then Bordeaux, then Juventus and then Alain Jacquet, the much-criticized French trainer, built their teams around him. All his coaches did the sensible thing: they did not try to change his natural style, they did not try to work him so hard that he became bored with the effort.

As you do, perhaps, as the sun goes down and the pesky flies start to leave and your fingers ache with the effort of sewing your third 32-panel ball of the day. For each ball, you get 30 cents, which of course means that somebody is profiting greatly from your labor, while Zidane, for his efforts, is a multi-millionaire.

The International Labor Office in Geneva cares about you and 7,000 other under-age workers around the world in the Punjab. They organize — as you know because your two younger sisters benefit — two hours' school a day. They arrange day care to try to help mothers work and ease the necessity for kids to do so.

All the big manufacturers, including Adidas, which markets the official World Cup balls, tell us about their philanthropic deeds, their social conscience, their attempts to produce their expensive

equipment more humanely. They were not there, unlike the flies, around you and your mother when I called.

In truth, I'm lost for words on what, if anything, such groups as the ILO, the United Nations, or writers like myself can really do to help you. It is social engineering on Western lines to suppose that policing children out of work can spare their families' needs when, in your case, you who have no father and every cent you reap puts bread into the mouths of your sister and two infant brothers.

It is futile to demand that Nike and Adidas and Umbro and Reebok give you a fair wage, or give your mother enough for what she sews so that you could be allowed a balanced upbringing of work and play. Futile, because the Chinese are waiting to set prisoners to stitching at even cheaper rates.

It is a haunting Christmas tale to tell, to keep telling. Ronaldo and Zidane and Owen are not bad guys, but something is wrong with a world that showers more millions at their feet than they could spend, and starves a child in the Punjab if she falls too ill to sew.

God bless you, Tahira, and send someone your way who is less inadequate than I feel after my visit.

*Rob Hughes is the chief sports correspondent of The Times of London.*

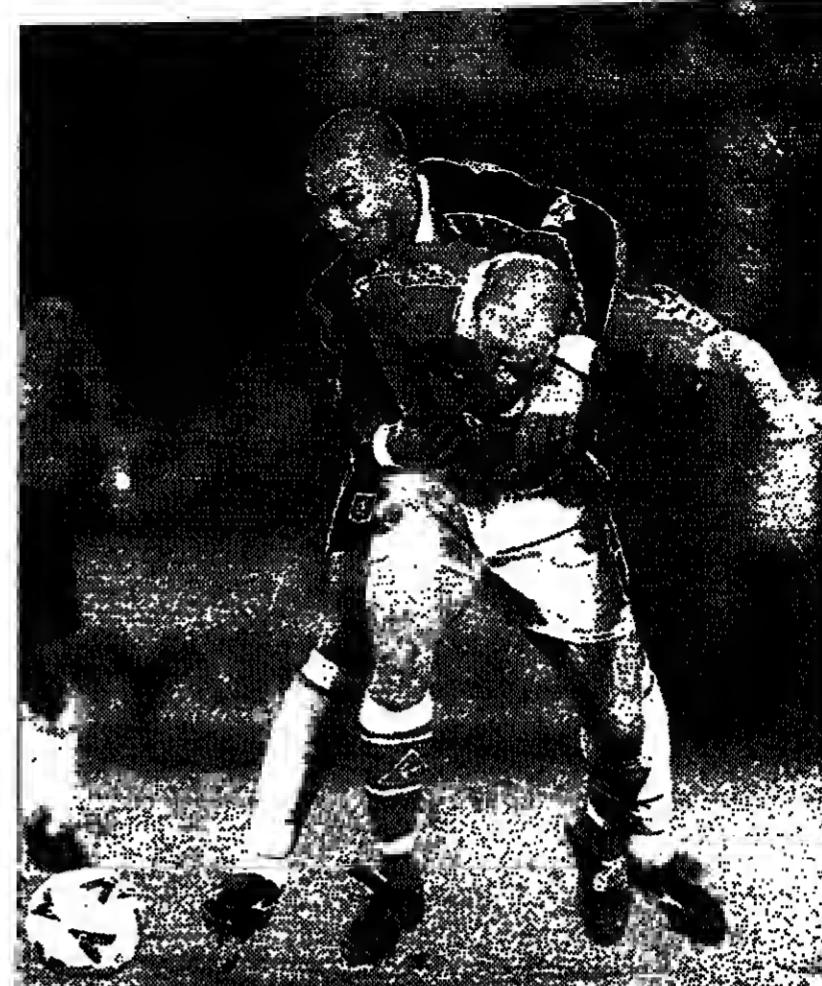
### Final Upsets Sao Paulo Shuts

Sao Paulo shopkeepers are unhappy because the deciding match in the Brazilian championship will be played Wednesday on the busiest shopping afternoon of the year. Reuters reported.

Corinthians will play Cruzeiro at 4 PM, and a 60,000 crowd is expected in Sao Paulo. After the game, they will mix with rush hour traffic in one of the world's most congested cities.

The match, originally scheduled for after Christmas, was brought forward to by the Brazilian soccer federation. But

Globo, the television network that will broadcast the match, insisted it be played in the afternoon. The company has scheduled a special presented by Xuxa, a children's television star on Wednesday evening.



Tom Horner/The Associated Press

**CLOSE ENCOUNTER** — Danny Mills of Charlton Athletic holding off Stan Collymore of Aston Villa in an English Premier League match in London. Villa won, 1-0, on Monday to regain first place in the league.

### Germany to Play in Mexico Cup

*The Associated Press*

**ZURICH** — Germany will take part in the Confederations' Cup in Mexico next year after the withdrawal of France, FIFA said Tuesday.

The tournament will take place from July 24 to Aug. 4 — four days earlier than planned — to accommodate the Germans, soccer's governing body said.

FIFA pulled out because the timing clashed with its domestic league and other European leagues.

FIFA initially moved the eight-nation

event from Jan. 8-20 to July 28-Aug. 8 to placate France. The French soccer federation accepted this, but then changed its mind because the French league begins July 28. France then asked for the competition to be moved to the start of the summer.

FIFA refused, out least because the leading South American club tournament is not scheduled to end until June 16, and the Copa America, the continent's tournament for national teams, begins June 29 and runs through July 8.

**BOARD**  
BYLINE

### THE INTERMARKET

FOR EUROPE +44 171 420 0348  
FOR THE AMERICAS 1-800 572 7212  
+852 2922 1188

### BUSINESS OPPORTUNITIES

#### THE INTERMARKET Starts on Page 9

**READERS ARE ADVISED** that the International Herald Tribune cannot be held responsible for loss or damages incurred as a result of transactions stemming from advertisements which appear in our paper. It is therefore recommended that you make appropriate inquiries before sending any money or entering into any binding commitments.

#### Business Opportunities

**OFFSHORE COMPANIES**  
Comprehensive Services  
Tel: 44 141 826 5991  
Fax: 44 141 825 1206  
E-mail: info@intermarket.com

**READY MADE CO'S, FULL ADVICE DOCUMENTS AND LTD BANKING & ACCOUNTING CHINA BUSINESS SERVICES**

Contact Shui Shui - 5th Floor, 12th Floor, Nanyang Plaza, 26 Grafton Road, 12th Floor, Kowloon, Hong Kong. E-mail: sbs@hk.sbs.com.hk Tel: 852-27421222 Fax: 852-2724973

**Trade FUTURES & OPTIONS** on the INTERNET  
www.tradefx.com

SFI Trading & Brokerage Ltd  
Stakeholder: 15, 8024 Zurich

**YOU ARE A US OR EUROPEAN BASED company seeking representation in Spain to introduce your brands and capture new business opportunities Please contact M. Negro for details Tel: 34 91 526 0247**

**2nd PASSPORTS** : Orange Licences / Design Consultants / Patent Agents / Legal Services / Tax Consultants / Corporate Consulting / Telephone Systems / 3242 6500 / Fax: 3242 2225 Email: info@global-trust.com

**AGENTS/WANTED** To Sell US Companies LLCs from \$300 & above Corporate Consulting / Tax Telephone 102-113-3245/3261 USA 212-253-5207 Fax: 212-253-5207 Email: info@global-trust.com

**2ND PASSPORT** \$10K Also EU Diplomatic Driver Licences Email: cost@oneintph.com Fax: 802-231-7562

#### Business Opportunities

YOUR OWN HONG KONG OFFICE. Shipping, Forwarding and L/C service. Offshore companies, Trade Services, Banking services. Fax: 852 2732 5115

**BABA PAPA Chocolate Ltd** UK seeks global investment for retail expansion. 100K min Tel +44 (0) 1895 181544

TUNISI exports olive oil, cotton, wheat, sugar, canned foods, dried fruit, etc. Fax: +21 2 569 178 29 369 179 204 Mobile: +21 2 569 178 29 369 179 204

ENROLL IN OUR CONSULTANT TRAINING PROGRAM

We Locate Funders For Business Projects & Real Estate

Tony Abramson, ESO - Real Estate Eric A. Klein, ESO-Attorneys/Advisors

INTERNATIONAL DEVELOPING ENTERPRISES AGENCY (IDEA)

580 Madison Ave 21 FL NY 10021

Tel: 212-571-0800 Fax: 212-568-4442

World Phone: 1300-367-6000

E-mail: pargleb@idc.com

LEADING INTERNATIONAL SPECIALISTS

Offshore Companies & Trust Formation

Fast, efficient, professional.

Management, nominees & administration services.

Bank introductions.

EMPRISE

INTERNATIONAL

DEVELOPMENT

ENTERPRISES

AGENCY

</div

## SPORTS

## Penguins Are Latest Victims of Leafs, 7-1

*The Associated Press*

The Toronto Maple Leafs, after finishing 23d in scoring in the 26-team National Hockey League last season, are No. 1 in that department this year.

Toronto's 7-1 victory over the Pittsburgh Penguins on Monday night gave

### NHL ROUNDUP

the team 105 goals — 31 more than the second-ranked Detroit Red Wings.

The Maple Leafs' defense, meanwhile, has allowed 90 goals, tying it for 15th in the 27-team league.

Mats Sundin scored twice and Alyn McCauley had a goal and two assists for the Maple Leafs against the visiting Penguins.

The Toronto goalie, Curtis Joseph, made 30 saves, giving up only a goal to Jan Hrdina as the Maple Leafs were outshot 31-27.

Avalanche 4, Mighty Ducks 2 Milan Hejduk scored the go-ahead goal for Colorado and goalie Craig Billington got the victory at Anaheim despite playing for less than two minutes and not facing a shot.

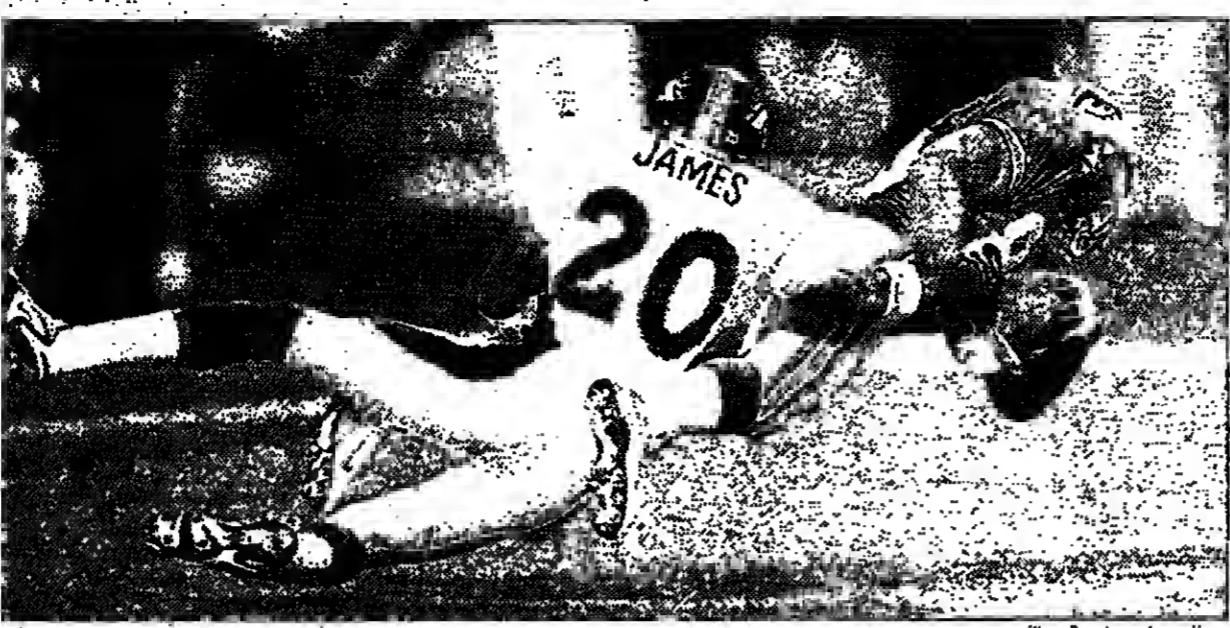
Billington replaced Patrick Roy in the net for a span of 1:52 late in the second period, and was on the ice when Hejduk scored on a power play with Kevin Haller serving a tripping penalty.

Roy returned with 20 seconds left in the period.

Sabres 4, Hurricanes 1 Jason Woolley had a goal and two assists as Buffalo won at Carolina.

Cannadiens 2, Stars 2 Darryl Sydor's goal at 13:54 of the third period lifted Dallas to a tie at Montreal as the Canadiens remained winless in 10 games — their longest nonwinning streak in over 50 years.

Bruins 3, Lightning 2 In Boston, Kyle McLaren scored twice and Hal Gill had the tie-breaking goal with 8:31 left in the third period.



Terry James of the Broncos trying to stop Oronde Gadsden, a Dolphins' wide receiver, at the goal line in Miami.

## Marino Hurls Dolphins Into Playoffs

By Thomas George  
*New York Times Service*

MIAMI — Striking a balance between the run and the pass was Miami's mantra for this season. The Dolphins decided they would sink or swim on their running game. Their head coach, Jimmy Johnson, said he had seen enough of Dan Marino throwing, throwing and throwing some more and Miami unable to run that ball. So, it was run or bust.

Nice theory. But on Monday night, it was bust.

The Dolphins turned a 13-7 Denver halftime lead into a second-half exhibition of fancy passes and nifty catches. Marino was maddening (23 of 38 for 355 yards with four touchdown passes and one interception). Lamar Thomas was explosive (three touchdowns, catches, 136 receiving yards) and Miami surprised Denver, 31-21.

The Dolphins (10-5) earned a wild-card playoff berth, completing the American Football Conference post-season picture. Denver (13-2) looks troubled. It fell by 20-16 at the New York Giants last week and then collapsed in Miami under the pressure of Marino's arm and a defense that in-

tercepted the Broncos' quarterback, John Elway, twice.

In the matchup of marquee quarterbacks, Elway was no match for Marino. Elway looked bad (13 of 36 for 151 yards with no touchdowns and 2 interceptions) and was intercepted the second time with 3 minutes 17 seconds remaining and Denver set for one of his spectacular game-winning drives.

The Dolphin cornerback Jerry Wilson ruined that, taking an Elway pass that the Bronco right end Shannon Sharpe had his hands on and wrestling it away, to end Denver's final hopes. Miami converted that into an Oingo Boingo 42-yard field goal with 1:10 left that provided the game's final points.

Marino to Thomas for a 56-yard touchdown with 10:26 left in the third quarter gave Miami a 14-13 lead. Marino to Thomas again for a 17-yard score with 5:53 left in the quarter made it 21-13. And then with 8:15 left to play, Marino found a new scoring partner, the receiver Oronde Gadsden, for an 8-yard score. Miami ahead, 28-13.

Denver scored on the ensuing kickoff, a 95-yard return by Vaughn Hebron, the Broncos' first kickoff return for a score since 1972. That was it for Denver.

Miami put the game away with those three Marino strikes in the second half and with Wilson's first career theft.

Too much for Denver to overcome, especially with Elway ineffective and with its star running back Terrell Davis limited, to 16 carries for 29 yards.

"I thought our guys did a great job, every one of them," Johnson said. "I told our team in the meeting last night that to beat a great team like Denver that we needed contributions from everyone on our roster. Dan played one of his best games since I've been here."

Denver and Miami are not familiar opponents. They have met only eight times, the last time before Monday night coming in 1985. Their last meeting in Miami was 23 years ago.

The Dolphins gained no rushing first downs in the first half. They ran the ball 11 times and gained 12 yards. Without Marino's arm (10 of 19 for 168 yards in the half) and the receivers' catches, Miami would have been out of the game early.

The defense helped keep Miami close in the first half. It limited Davis to 26 rushing yards and the Denver rushing attack to 49. It held Elway to 90 yards passing.

## Newest Met Has Stood The Acid Test of Time

### Henderson Going Strong After 20 Seasons

By Harvey Araton  
*New York Times Service*

routinely breathtaking performance was typically lost in the monotony of a pitching and managerial revolving door.

Those Yankees lineups contained three pillar superstars — Henderson, Dave Winfield and Don Mattingly — in the prime of their careers. Henderson and Winfield, both African-American, absorbed the bulk of the criticism when the season invariably turned sour.

But before Henderson begins his second go-round in New York, two points of retrospection can be made about his first.

First, had Steinbrenner given the same weight to pitching in the 1980s as he has in the 1990s, Henderson and Winfield could very well have been ushered, like Mattingly, into Yankee Stadium's Monument Park instead of being run out of town.

Second, Henderson (who turns 40 on Friday) has been brought back to New York after posting an on-base percentage of .375 in 152 games last season for the Oakland Athletics. That makes him an authority not only on his "hammy," but also on the nurturing of a ballplayer's body to produce the maximum long-term results.

Henderson had a major-league-leading 66 stolen bases last season. The Mets as a team had 62. Remarkably, with 20 major-league seasons in the books, Henderson is still playing the speed game, albeit somewhat slower afoot and at bat. He is baseball's career stolen-base leader and the owner of two World Series rings.

Here are the names of the only players who have scored more runs: Ty Cobb, Hank Aaron, Babe Ruth, Pete Rose, Willie Mays. Here are the names of those who have drawn more walks: Ruth, Ted Williams.

"I think his longevity says everything about his commitment to his career," Phillips said. "That's his message, and that's the one I hope rubs off on the other players."

And where have you gone, Len Dykstra?

### SCOREBOARD

#### ICE HOCKEY

##### NHL Standings

EASTERN CONFERENCE		WESTERN CONFERENCE											
Team	W	L	TB	GF	GA	Team	W	L	TB	GF	GA		
Montreal	18	8	4	40	90	76	1st Period: 0-2, Period 2: 10-10, Period 3: 2-2, Total: 20-10	14	9	3	30	87	75
Philadelphia	14	9	3	31	85	70	2nd Period: 2-2, Period 3: 2-2, Total: 10-10	12	10	2	30	85	70
N.Y. Islanders	17	13	2	27	70	72	3rd Period: 0-2, Total: 0-2, Sports net: D-5-1-1-3-2, M-1-1-1-1-1, S-1-1-1-1-1	19	17	2	27	79	70
N.Y. Islanders	19	17	2	27	79	70	10-1-4-3-29, Goaltender: D-Barker, M-Hockey	19	17	2	27	79	70
Buffalo	19	17	2	27	79	70	1st Period: 0-2, Period 2: 1-1-1, Total: 1-1-1-1-1-1	19	17	2	27	79	70
Carolina	15	12	3	25	78	70	2nd Period: 0-2, Period 3: 1-1-1, Total: 1-1-1-1-1-1	15	12	3	25	78	70
Florida	11	12	3	21	68	78	3rd Period: 0-2, Total: 0-2, Sports net: D-5-1-1-1-1, M-1-1-1-1-1, S-1-1-1-1-1	11	12	3	21	68	78
Washington	9	17	2	21	68	78	1st Period: 0-2, Period 2: 1-1-1, Total: 1-1-1-1-1-1	11	12	3	21	68	78
Tampa Bay	7	15	2	23	73	76	2nd Period: 0-2, Total: 0-2, Sports net: D-5-1-1-1-1, M-1-1-1-1-1, S-1-1-1-1-1	7	15	2	23	73	76
Montreal	8	17	2	23	73	72	3rd Period: 0-2, Total: 0-2, Sports net: D-5-1-1-1-1, M-1-1-1-1-1, S-1-1-1-1-1	8	17	2	23	73	72
Calgary	14	11	3	31	75	78	1st Period: 0-2, Period 2: 1-1-1, Total: 1-1-1-1-1-1	14	11	3	31	75	78
Vancouver	12	12	2	27	77	78	2nd Period: 0-2, Total: 0-2, Sports net: D-5-1-1-1-1, M-1-1-1-1-1, S-1-1-1-1-1	12	12	2	27	77	78
Dallas	11	15	4	24	84	90	3rd Period: 0-2, Total: 0-2, Sports net: D-5-1-1-1-1, M-1-1-1-1-1, S-1-1-1-1-1	11	15	4	24	84	90
Phoenix	18	10	2	40	82	89	1st Period: 0-2, Period 2: 1-1-1, Total: 1-1-1-1-1-1	18	10	2	40	82	89
Anaheim	12	12	2	31	75	73	2nd Period: 0-2, Total: 0-2, Sports net: D-5-1-1-1-1, M-1-1-1-1-1, S-1-1-1-1-1	12	12	2	31	75	73
San Jose	8	15	1	22	62	71	1st Period: 0-2, Period 2: 1-1-1, Total: 1-1-1-1-1-1	8	15	1	22	62	71
Los Angeles	9	10	2	23	78	77	2nd Period: 0-2, Total: 0-2, Sports net: D-5-1-1-1-1, M-1-1-1-1-1, S-1-1-1-1-1	9	10	2	23	78	77
Tampa Bay	1	1	2	3	33	33	1st Period: 0-2, Period 2: 1-1-1, Total: 1-1-1-1-1-1	1	1	2	3	33	33
Brasilia	0	1	2	3	33	33	1st Period: 0-2, Period 2: 1-1-1, Total: 1-1-1-1-1-1	0	1	2	3	33	33
<b>MONTDAY RESULTS</b>													
Tempe Bay	1	1	2	3	33	33	1st Period: T-Jeremy 4 (Cross), Leveen 1, R-Asher 1, G-Craig 1, Billington 1, Roy 1-Haber.	1	1	2	3	33	33

#### MONTDAY RESULTS

#### GOALS

#### SHOTS

#### POWER PLAY

#### SHORTHAND

#### STRAIGHT SHOT

#### SHOOTING ANGLE

#### SHOOTING DISTANCE

#### SHOOTING SPEED

#### SHOOTING POSITION

#### SHOOTING ANGLE

#### SHOOTING DISTANCE

#### SHOOTING SPEED

#### SHOOTING POSITION

#### SHOOTING ANGLE

#### SHOOTING DISTANCE

#### SHOOTING SPEED

#### SHOOTING POSITION

#### SHOOTING ANGLE

#### SHOOTING DISTANCE

#### SHOOTING SPEED

#### SHOOTING POSITION

#### SHOOTING ANGLE

</

## OBSERVER

### Frothing Lather

By Russell Baker

**N**EW YORK — "Hellbent" is the word for Republicans at this eerie moment, and what they are hellbent on is the destruction of President Bill Clinton.

This passion does not present them in an enabling light, despite efforts to portray themselves as the Lord's righteous army wielding its terrible, swift sword (Republican majorities in the Congress) to stamp out immorality and mendacity.

It is never easy to feel comfortable with politicians who claim to hold the high moral ground, as the Republicans now do. Few spectacles are more grotesque. A politician holding the high moral ground is like a hog in a bathtub.

Yet this is the situation in which Republicans find themselves in their desperation to cleanse the Republic of a president they portray as abominable and loathsome, and quite possibly Satanic. The single-minded partisan intensity of their campaign for impeachment has the smell of fanaticism on it, and possibly a touch of madness.

Last week's military strikes against Iraq were immediately hailed into the all-absorbing impeachment melodrama. With Republicans suggesting that war was the president's last maneuver in a malevolent scheme to escape his just deserts.

Trent Lott, the Republicans' Senate leader, came out against the raids even before CNN showed the first pictures of lights in Baghdad's night sky. Instant TV analysts found Lott's position shocking. When the guns begin to speak and Americans go into battle,

Senate leaders, whatever their politics, have always "closed ranks" behind the president. Or so it was said.

On Wednesday night, between TV pictures of explosions in Baghdad, Gerald Solomon, Republican chairman of the House Rules Committee, appeared in American parlors venting his conviction that the whole thing was a Clinton maneuver to prevent impeachment. It was "the lowest thing" he'd ever heard of.

Neither Lott nor Solomon is famous for mental acuity, and the mass of Republicans quickly tried to recover from their lapses by announcing total support for American soldiers, sailors and airpersons, omitting only the president.

What we are seeing, as Geneva Overholser notes in The Washington Post, is the death of the political middle. Extremists are in charge. They are always plentiful in Congress, but they rarely rule.

When Lyndon Johnson was majority leader he used to call them "the red hots." They were dominantly liberals then, and had no muscle. Now they are conservatives for whom compromise amounts to betrayal of faith.

For six years they have tried to persuade the public to get rid of Clinton for general villainy. Maddened by the public's refusal to see the light, they have talked themselves into a frothing lather. They are hellbent on putting a stake through his heart, and public sentiment will be damned.

It is a tale of mythic grandeur, produced by those three modern Fates: Paula Jones, Linda Tripp and Monica Lewinsky. Like Abraham Lincoln and Betsy Ross, their names will long endure.

New York Times Service

## A Siberian Winter Descends on Espionage Tales

By Doreen Carvajal  
New York Times Service

**N**EW YORK — Like cashed-up spies groping for a mission, veteran literary spy masters are coming out of the Cold War into a new world order that is hard on current sales and indifferent to their old-fashioned trench-coat espionage fiction.

Some well-known authors have recently parted with their publishing houses in search of a fresh approach to increase sales, a strategy as elusive as KGB moles. Others, like John le Carré, have found intrigue in new settings. In March his new book, a spy novel set in a sinister world of international finance, will be published.

Most dramatic, perhaps, is the literary turn taken by Frederick Forsyth, author of "The Day of the Jackal" and "The Odessa File," who has changed publishing houses as his sales have declined, acquired a new literary agent and publicly renounced the thriller genre to "try my hand at something else."

"Something else" is a slim volume, a sequel to Gaston Leroux's 1910 novel, "The Phantom of the Opera," that grew out of discussions with the composer Andrew Lloyd Webber, who may stage it as a musical. Forsyth's publisher of more than 25 years, Bantam, chose not to buy the manuscript, "The Phantom of Manhattan," which places the disfigured character in a Coney Island factory cleaning fish. But the author found another taker.

The market is colder than a Siberian winter for espionage tales, many publishing executives and agents say, blurring the end of the Cold War and shifts in readers' tastes. Today they prefer the Tom Clancy style of technological thrillers featuring exotic military weapons and an executive-style CIA hero.

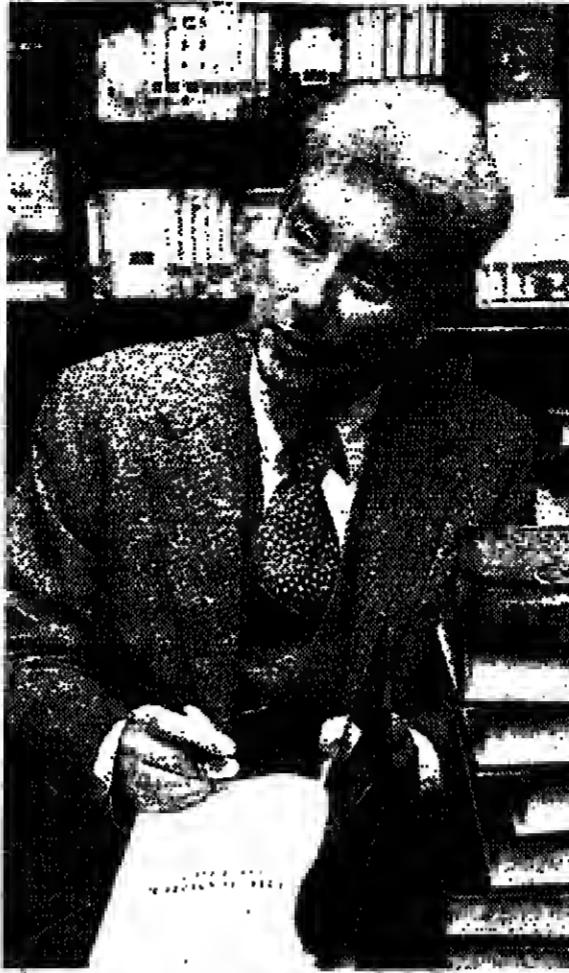
"When someone like Freddie doesn't want to write them anymore, then there must be something going on in the world that makes it difficult for a master," said Forsyth's new agent, Ed Victor, who added that the authors' moves probably reflect "that spy fiction has peaked, and people usually look for people to blame, which means you can fire your agent."

Since the Berlin Wall crumbled in 1989 and the Soviet Union collapsed in 1991, writers who established themselves by exploring the duplicitous world of spycraft have had much more difficulty climbing the heights of The New York Times best-seller list, occupying those rarefied levels for fewer weeks, if at all.

For example, Len Deighton followed the life of Bernard Samson, a star-crossed British agent, in three trilogies, two of which were best-sellers in the 1980s and 1990. But the last set, published through 1996, failed to make the ranks.

Forsyth achieved enduring success with "Jackal" and "Odessa File," which lingered on the list for 48 weeks. But his last best-seller, "Icon," a postcommunist thriller set in a disintegrating Russia, slipped off the list after two weeks.

For his sequel to "The Phantom of the Opera," Forsyth has signed with an untraditional publisher, Michael Viner, the president of New Millennium Entertainment in Beverly Hills, California. Viner is better known for publishing tell-all



Ken Follett signing copies of his latest non-spy novel.

nonfiction like Faye Resnick's book about Nicole Brown Simpson.

In the last two months, writers like Robert Ludlum and Ken Follett have left their publishing houses for new ones, moves that often reflect politi- differences about advances or sales expectations that publishers do not consider promising enough to justify the generous contracts of flush days. But the

public explanation from Ludlum and le Carré is a desire for fresh approaches, a yearning that has seized some well-known writers like an old-fashioned global conspiracy.

Ludlum, who achieved his biggest successes in the 1970s with tales of complex global plots, left his publisher of more than two decades, Bantam, for St. Martin's Press, which offered him an eight-figure contract and a new strategy. His sales at Bantam had settled to a plateau of about 450,000.

copies for recent titles like "The Matarese Countdown." "It's certainly harder to get an audience hot about the Cold War, because it's just not there anymore," said Jack Romanos, the president of Simon & Schuster, which is publishing le Carré's new book through its Scribner imprint.

"It's been difficult to take it to a different area. People have tried to make it work in South America, the Middle East and China, but it never had the same cachet as when it was the good old Americans against the communists."

Historically, spy fiction has flourished and waned with the inspiration of war or its threat. The first spy novel in Western literature is credited to James Fenimore Cooper, who in 1821 wrote "The Spy: A Tale of the Neutral Ground," a novel based on a Revolutionary war spy, said Thomas B. Allen, co-author of a reference guide, "Spy Book."

There was a dry spell until the American Civil War. After another drought, spy fiction surfaced again in the early 1900s and flourished in 1930s pulp magazines. But Allen said the World Wars produced fewer spy novels than the Cold War.

"I think we're in a valley," Allen said of the present cycle. "The generation of spy novelists that included le Carré were writing inside their own time about things that were almost happening. So, now we're in a time where nothing much is happening."

Most affected by the cooler market are the second-tier authors who were writing in the genre, said Romanos of Simon & Schuster.

Younger thriller writers like Daniel Silva, 37, author of "The Unlikely Spy" and "The Mark of the Assassin," draw inspiration from World War II, but "going back to the Cold War would be a little strange," he said. "Instinctively, it doesn't feel right. There's not enough distance and drama."

le Carré, a former British intelligence officer whose real name is David Cornwell, can be viewed as a case study of shifting to new themes. The author left his publisher of 20 years, Alfred A. Knopf, changed literary agents and is poised to publish a new book, "Single & Single," that continues his movement away from espionage themes and the world of his brooding spy, George Smiley. His last book, "The Tailor of Panama," involved an elaborate plot to void the Panama Canal Treaties. His base of readers has eroded and his past sales figured into his last advance from Simon & Schuster, which dropped to \$2.5 million.

At Scribner, where marketing executives have a one-word view of Cold War spy fiction — "Done" — the publishers are positioning le Carré to reach a new generation of readers. Scribner is planning to print 300,000 copies of the novel.

Follett noted that he had avoided the spy genre in his last two novels, the latter a contemporary thriller called "The Hammer of Eden," which centers on aging hippie eco-terrorists.

"Certainly, the golden age of the spy story is definitely over," Follett said. "But that doesn't mean that there aren't going to be any good ones written. In order to do so, I've had to set my story in 1958. I don't think it would work in 1998. We're not afraid of the Russians anymore. You need someone to be afraid of."

## PEOPLE

**T**HE former butler for Diana, Princess of Wales has lost his job at the charity set up in her memory. Paul Burrell, 40, the man the late princess called "my rock," cleared out his desk Tuesday and said his good-byes. Burrell had been the chief fund-raiser of the Diana, Princess of Wales Memorial Fund, but was told that since the charity no longer was actively raising money, the position was not necessary. The fund's chief executive, Andrew Purkis, said that he had offered Burrell a job as a roving ambassador, but that he had refused.

**J**ulio Iglesias says his children are fortunate to have his fame helping their careers. "They are lucky to be my children," the 55-year-old singer said during a ceremony to present a greatest hits album. Iglesias's son Enrique told the Los Angeles Times last year that he did not like discussing music with his father because he had sold more records. Enrique won a Grammy Award for best Latin pop performer in 1997. Enrique, 23, is the youngest of three children

Iglesias had with Isabel Preysler. His daughter, Chaheli, is a Spanish-language TV personality, and his other son, Julio Jose, is a singer and model.

**R**obert Graham has been commissioned to create the "Great Bronze Doors" for a cathedral being built by the Roman Catholic Arch-

diocese of Los Angeles. Graham's works include the "Olympic Gateway" for the 1984 Los Angeles Games. He also has been commissioned to depict Franklin D. Roosevelt for a Washington memorial.

**G**eorge Michael has completed 80 hours of community service as part of

his no-contest plea to lewd conduct in a public toilet in a California park. A Municipal Court judge, Charles Rubin, warned the singer's attorney during a hearing Monday that Michael is under a court order to stay out of Will Rogers Park for the duration of his probation, about 17 more months. Michael, 35, was arrested April 7 by an undercover police officer in a restroom at the park across from the Beverly Hills Hotel.

**T**he O'Neill Society will present its medal for "monumental contributions" to Theodore Mann, who joined with Jose Quintero to restore the reputation of Eugene O'Neill with their Circle in the Square revival of "The Iceman Cometh" in 1956. Mann produced 14 O'Neill plays at the theater. The ceremony will take place when the society meets in January in Bermuda. Another medal will be awarded, to Joy Black Waters, who owns and restored Spithead, the Bermuda house where the Nobel Prize-winning playwright worked on several plays in the mid-1920s.



SWIMMING WITH SANTA — "Scuba Santa" at Underwater World in Perth, Australia, swims with turtles and sharks for the holiday season.

## (out of the blue)

You never know where your next business lead will come from. So use AT&T Direct® Service. With the world's most powerful network, you get fast, clear, reliable connections from anywhere. Plus you'll always have the option of an operator who speaks your language. And with our AT&T Calling Card or credit card, you're well on your way. And now, back to your vacation.

### Steps to follow for easy calling worldwide:

1. Just dial the AT&T Access Number for the country you are calling from.
2. Dial the phone number you're calling.
3. Dial your card number.



AT&T Access Numbers	
Austria	022-903-0111
Belgium	0-800-100-10
Czech Republic	00-42-008-101
Egypt (Cairo)	510-0200
France	0-800-99-0011
Germany	0130-0010
Greece	09-800-1311
Ireland	1-800-550-000
Israel	1-800-94-94-949
Italy	172-1011
Netherlands	0900-022-9111
Russia (Moscow)	753-3047
Saudi Arabia	1-800-10
Spain	900-99-00-11
Sweden	820-795-0111
Switzerland	0800-89-0011
United Kingdom A	+ 0800-89-0011
United Kingdom B	+ 0300-89-0011

For access numbers not listed above, ask any operator for AT&T Direct Service, or visit our Web site at [www.att.com/traveler](http://www.att.com/traveler).



It's all within your reach.

Credit card calling subject to availability. Payment terms subject to your credit card agreement. Bold-faced countries permit country-to-country calling outside the U.S. Collect calling is available to the U.S. only. Country-to-country rates consist of the cost of a call to the U.S. plus an additional charge based on the country you are calling. You can call the U.S. from all countries listed above. Pay phone deposit. Limited availability. Calling available to most countries. Public phones require local coin payment during the call. \*Call "0" for outside calls. Additional charges apply outside Moscow. \*\*U.S. UK access number in N. Ireland. \*\*\*U.S. call does not complete. use 0800-013-0111. ©1998 AT&T